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**THE EFFECT OF SERVICE DESIGN APPROACHES ON OPERATIONAL
PERFORMANCE OF FIVE STAR HOTELS IN NAIROBI COUNTY, KENYA**

ANNETY EGESSA OUMA

REG NO: 122595



**DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTER OF COMMERCE
STRATHMORE UNIVERSITY**

MAY 2024

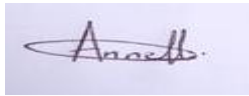
DECLARATION

Student's Declaration

I hereby declare that this dissertation is my original work and has not been submitted for conferment of academic qualifications in any institution or published in other forums for any reasons. I also declare that any published material used in the production of this work has been duly cited and the authors duly acknowledged.

ANNETY EGESSA OUMA

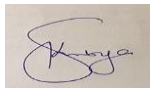
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Supervisor's Approval

This research dissertation has been submitted for examination with my approval as the University Supervisor.



DR. STELLA NYONGESA

Lecturer, Strathmore University

Date: 31/05/2024

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ABSTRACT

Service design is a key factor in increasing customer attraction and retention, which in turn increases the operational performance of an institution, including hotels. A major research gap that this study sought to fill is evident from insufficient empirical studies on the impact of service design approaches in the context of five-star hotels in Nairobi County, Kenya. While service design has been recognized as an important factor in customer acquisition and retention, there is limited research focusing specifically on the organization operational performance of five-star hotels in this region. This study therefore sought to evaluate the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county Kenya. The specific objectives are: to establish a relationship between tangibility and operational performance of five-star hotels in Nairobi County Kenya; to determine the impact of responsiveness on the organization operational performance of five-star hotels in Nairobi City County Kenya; to establish the relationship between the service sequencing and the organization operational performance of five-star hotels in Nairobi County, Kenya; and to establish the relationship between service evidencing and the organization operational performance of five-star hotels in Nairobi County, Kenya. The study was based on Parasuraman's Model and ,The Porters' Theory and Resource based theory. The study adapted a correlational descriptive research design to establish the relationship between variables. Stratified random sampling was also used to select 105 respondents from a target population of 142 respondents that included Operations, Marketing Managers and F&B Departments drawn from the 8 five-star hotels located in Nairobi District. Data was collected through questionnaires. Both descriptive and inferential statistical analysis was used where descriptive statistical analysis included mean and standard deviation, while inferential statistics was performed using Pearson's correlation and multiple regression analysis at the 95% interval level. The results were presented in tables, graphs and narratives. The study recommended that service design approaches factors that include tangibility, responsiveness, service sequencing and service evidencing ($P < .05$) have a significant effect on organization operational performance of five-star hotels in Nairobi city county, Kenya. The study recommended that there is need for the application of effective strategies such as service design approaches in order to improve the operational performance of five-star hotels, the management of five-star and various department heads need to evaluate how the five-star hotels that include service design approaches factors that include tangibility, responsiveness, service sequencing and service evidencing can be employed in order to achieve operational performance and there is need for the Government to allocate enough budget to train the Ministry officers and other industry players on standardization of services in the hotel sector to ensure that the hotels ensure quality services.

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LIST OF ABBREVIATIONS AND ACRONYMS

COVID-19	Coronavirus disease
PwC	Price Waterhouse Coopers
RevPAR	Revenue per available room
7 S	Skills, Systems, Shared Values, Staff, Strategy, Strategy and Structure.



CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background to the Study

Services approaches comprises differentiation, cost leadership, human resource management to improve resource capabilities and competencies; effective customer care; standardizing services to attain utmost clients value and improved technology; strategic location; and general strategies for responding to internal and external capabilities, that includes diversification of services to expand geographic coverage and expand risks, market support, strategic corporation and developing collective approach (Kinoti, 2012). Many organizations currently face crucial clients service and service delivery problems, both internally and externally. Consistent demographic transformation together with high client expectations are forcing firms to reconsider clients service approaches (Buchichi, 2013). Management must effectively and critically evaluate how their firms have fared in developing and executing a client-centric service strategy.

The services approaches applied by the organization determine their leir levels of organization performance that has been described as quantifiable parameter of the outcomes of a firm's process that includes reliability, production cycle time, and inventory as measure against standard or rather prescribed indicators of productivity, capacity utilization, effectiveness, efficiency, cycle time, waste reduction and regulatory compliance ((Johnston & Clark, 2001; Dixon, and Vollmann,2020). Therefore, in order for any organization to attain its desired performance, it is necessary that they enhance their services approaches.

The hotel business environment has changed tremendously today compared to 50-60 years ago as people become more stressful and individual as well as firms are exploring new experiences (Samson & Terziovski,2019). The sector transformation in the past century have pushed firms into a new direction. Increased globalization has contributed to a new urge for more innovative goods and services (Nanni, Dixon &Vollmann, 2020). Consulting services are also on the rise from companies looking for more innovative methods to manage a rapidly transforming market (Anderson, 2011). The world transformation into a global village and more accessible markets has spurred business expansion and the entry of new players to also participate in the market, thereby increasing competition in the industry (Kinoti, 2012). While organizations are surrounded by fast moving transformation, the service sector faces a major challenge due to increased consumer

awareness and exposure to more information. Firms providing service must set themselves apart and try to be as close to clients as possible in order to survive. This has contributed to greater emphasis on customer relations, customer care and the development of service approaches in response to the market conditions (Kariuki, 2012). A service approaches is a distinctive strategy used by a firm to provide important services to the satisfaction of its client (Kinoti, 2012).

Services approaches comprises differentiation, cost leadership, human resource management to improve resource capabilities and competencies; effective customer care; standardizing services to attain utmost clients value and improved technology; strategic location; and general strategies for responding to internal and external capabilities, that includes diversification of services to expand geographic coverage and expand risks, market support, strategic corporation and developing collective approach (Kinoti, 2012). Many organizations currently face crucial clients service and service delivery problems, both internally and externally. Consistent demographic transformation together with high client expectations are forcing firms to reconsider clients service approaches (Buchichi, 2013). Management must effectively and critically evaluate how their firms have fared in developing and executing a client-centric service strategy.

Globally, hotel industry is working ways in which they can improve the performance of the hotel industry in the United Kingdom as highlighted by Smith and Johnson (2018) that personalized experiences, such as customized amenities and tailored recommendations, significantly enhanced guest satisfaction and loyalty. In Germany, Müller and Schwarz (2019), the implementation of self-service kiosks and mobile apps has led to improved efficiency, reduced waiting times, and increased guest satisfaction. In China, focusing on the influence of service personalization on customer satisfaction and operational performance in luxury hotels and that offering personalized services, such as tailored itineraries and customized amenities positively influenced guest satisfaction and resulted in increased revenue and customer loyalty while in Japan, the effect of incorporating traditional cultural elements into service design in luxury ryokans and that guests perceived a higher level of authenticity and cultural immersion, leading to enhanced satisfaction and positive word-of-mouth recommendations.

As the hotel industry continue to grow, Egypt hotel sector is on the road map to achieve the desired standards. El-Said and Hassan (2020), highlighted those customized services, such as personalized greetings, tailored amenities, and individualized recommendations, significantly enhanced guest satisfaction and loyalty. Additionally, specific service design strategies that can be implemented in luxury hotels in Cairo to enhance guest experiences and improve operational performance. Boateng et al. (2017) observed that service design in Ghana has impacted customer satisfaction and operational performance in luxury hotels which have also improved the quality of facilities, aesthetics, and ambiance, significantly influenced guest satisfaction levels. Locally, the service design approaches have been employed in enhancing the operational performance of luxury hotels in Nairobi City County.

As people are looking for new experiences and increased globalization, there need for the hotel sector to explore how they can design their services through employment of new approaches in order to improve their operational performance. The hotel sector has been facing immense competition, and therefore the five-star hotels in Nairobi city county need to employ new service designs in order to achieve the desired operational performance. The existing literature although have covered service delivery and organization performance, these studies are not specific to five-star hotels and particularly in Nairobi County. Additionally, studies such as Boateng et al. (2017) established that facilities, aesthetics, and ambiance, significantly influenced guest satisfaction levels while Anderson (2011) advised that there is need for more innovative methods to manage a rapidly transforming market, these studies are not exhaustive. While some of the studies employed cross-sectional and descriptive methods, the studies were not based is Kenya and therefore the findings cannot be generalized. Therefore, this study seeks to determine the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county Kenya

1.1.1 Service Design Approaches

Service design is a complete approach, that premised in an integrated way strategic, system, process and fundamental design decisions (Zomerdijk & Voss, 2010). However, Duarte, Brito, Serio, and Martins, (2011) define service design as a human-oriented strategy that is based on client experience and service quality as a key success value. In a more complimentary way Osman and Sentosa, (2013) define service design as a a complete strategy, that focuses on an integrated way strategic, system, process and touch point design decisions. On the other hand, Stickdorn and

Schneider (2010) defined service design is the approach that involves planning and organizing people, infrastructure, communication and material parts of a service in order to enhance its quality and its interface between the firm giving the service and its client.

The proposed study however adopts service design definition by Shostack, (2019) who focusing on service design is the role of marketing and of management and firms need to come up with a “service blueprint” that defines the processes in the firm and the way individual process interface with other processes and prepossessed that the service blueprint to be a tool for managing operational efficiency. Accordingly, Patrício, Fisk, Cunha, and Constantine, (2021) argued that, appropriate and efficient client service has a significance effect on client acquisition, retention and cost management. They further argued that, service design is focuses on the design of services and enhancing to fit the requirement of the service’s users and clients. The study is also anchored on Resource-Based Theory that stipulates that the strategic resources possession gives firms the golden opportunity to develop competitive advantage over their rivals.

According to Juwaheer and Ross (2013), the goal of service design is to develop both front office and back office approached that address clients’ requirement as relevant as possible while remaining economical or rather sustainable for business, as preferred services are classified as user-friendly and competitive in their market. According to Patrício, Fisk, Cunha, and Constantine (2011), service design is used both to create new services and to improve the performance of existing services. Nowadays, most business companies are increasingly turning to service design and design ideology in an effort to develop an attractive and sustainable market offer (Brown, 2008). As a result, service design is now considered as critical in creating value for clients. Currently, service design and what is commonly called design thinking (Stickdorn & Schneider, 2010) is used to attain customer experience-oriented services (Zomerdijk & Voss, 2010).

Many scholars for instance (Juwaheer & Ross, 2013; and Osman & Sentosa, 2013) have identified; tangibility, responsiveness, service process ordering (dividing difficult service into individual processes and utilization journey parts), physical evidence of service in other words service evidencing as the critical service design features. To begin with, tangibility is often considered as

the features the firm so to speak providers expressed in relations to good facilities, equipment, staff and communication requirements when delivering services (Osman & Sentosa, 2013; and Razaet. *al.*, 2012). Juwaheer and Ross, (2013) described responsiveness as the motivation of the firm to provide service fasts enough and accurately as empathy is based on caring, attention and the clients' knowledge of their needs providing services.

This study aims to measure service design approaches by operationalizing key elements such as tangibility, responsiveness, service sequencing and service evidencing. Tangibility refers to the visible aspects of service, including facilities, equipment, personnel, and communication materials used during service delivery (Voss, Åhlström & Blackmon,2017). It is important for service providers to present a professional and appealing appearance to enhance customer satisfaction. Responsiveness is another crucial factor, which entails the willingness of service providers to promptly and accurately address customer needs (Samson & Terziovski,2019).) Being attentive and providing quick solutions can significantly impact customer satisfaction. Service sequencing involves breaking down complex services into separate processes and user journey sections, ensuring a smooth and logical flow of service delivery (Chen,2019). This helps in managing customer expectations and creating a seamless experience. Lastly, service evidencing involves providing physical evidence of the service, demonstrating its value and quality to customers (Nanni, Dixon & Vollmann,2020). This could include tangible artefacts, digital interfaces, or any other means of showcasing the services benefits. Tangibility, responsiveness, service sequencing and service evidencing have been highlighted as critical services design approaches that are critical in the operational performance in the services industries(Voss et al,2017;Samson & Terziovski,2019;Chen,2019; Nanni et al, 2020).Therefore, by examining and measuring these service design approaches, the study aims to gain insights into how businesses can enhance their service offerings, meet customer needs more effectively, and ultimately achieve competitive advantage in the market.

1.1.2 Organization Operational Performance

Operational performance can be defined as a quantifiable parameter of the outcomes of a firm's process that includes reliability, production cycle time, and inventory turns (Johnston & Clark, 2001). However, Samson and Terziovski, (2019) defined operational performance as a firms'

capabilities to deliver clients products or services through cheapest but effective processes. On the other hand, Terziovski, Feng, and Samson, (2017) defined operational performance as the firm's abilities compared to set out standards, that includes compliance with regulations, waste reduction, productivity and many others. In a more comparative way, Nanni, Dixon, and Vollmann, (2020) defines operational performance as a measure against standard or rather prescribed indicators of productivity, capacity utilization, effectiveness, efficiency, cycle time, waste reduction and regulatory compliance while Hasan and Kerr (2013) and Terziovski et al. (2017) refers to operational performance as productivity and quality, scheduling and delivery.

The proposed study adopts operational performance definition by Voss, Åhlström, and Blackmon, (2017) which referred to operational performance as the measurable aspects of the outcomes of an organization's processes, such as reliability, production cycle time, and inventory turns which affects business performance measures such as market share and customer satisfaction using the balanced score card approach. The BSC analyses performance of a business in four perspectives: Financial perspective, Customer Perspective, Internal business Perspective, and Innovation and Learning perspective (Kaplan & Norton, 1992). Financial perspective analyses the company's financial health such as revenue growth, profitability, returns on investments. Internal business perspective focuses on processes geared toward creating and delivering customer value proposition efficiently and productively. Customer perspective involves gauging the performance of the organization through their customers. Learning and growth focused on organizations intangible assets mainly, internal skills and capabilities required in supporting the value-creating internal processes.

According to Hasan and Kerr (2013) the variables that are the key elements of operational performance are productivity and quality, scheduling and delivery. Terziovski et al. (2017) highlighted that the parameters for evaluating performance are productivity and quality are productivity, efficiency, cost of quality and mistakes and wastages while, measures of scheduling and delivery are lead time, timeliness of delivery and client relations.

To achieve operational performance, Mahmoud and Carlos (2010) suggest building a strong culture with focus on operational excellence, training and equipping the workforce with

enhancement techniques and tools using real-time visibility process management technology and implementing effective measures and controls. The framework emphasizes the need for both financial and non-financial measures to create a consistent performance measurement system and effective supervision. The success of business, such as a hotel, is dependent on the behaviour of employees, development of new products and services, and customer satisfaction.

According to Fitzsimmons, Fitzsimmons and Bordoloi (2014), operational performance encompasses various measurable aspects of operational activities, including productivity, quality; cycle time, cost efficiency, and resource utilization and therefore it is critical align operational performance with strategic objectives of the firm to enhance its competitive advantage and overall business performance.

For this study, operational performance was measured using operational metrics as described by Calzone (2022) and included service delivery time, service cycle time, customer service average response and time and client wait time. Voss et al (2017) also supported service delivery time, service cycle time, customer service average response and time and client wait time as measure of operational performance in the services industry. The strategies services have changed in the over the last decade influencing organizational performance across many sectors (Farayola et al ,2020). It has changed from looking a service according to their intrinsic disparities in products to considering services as processes of value co-creation. Effective service designing should keep the desired operational performance in mind. Organization should align their strategies with their operational performance in order to achieve these goals Therefore, by aligning customer service approaches with operational performance, the hotels can achieve their overall performance goals. Descriptive statistics based on a five-likert scale was used for the study to measure the extent to which operational performance was influenced by service design approaches factors in the five-star hotels in Nairobi. Wandili (2022) contends that a five likert scale measurement allows for a five measurement with two extremes and a neutral in the middle.

1.1.3 Five Star Hotels

The inclination to investment in Kenya's hospitality industry has steadily grown over the years, driven fundamentally by the business urge to take advantage of the demand for accommodation as

a results of tourism, leisure and business travel this in addition to significant growth of MICE tourism, increased need for conferencing facilities noticeably as a result of Nairobi's stature as a regional hub (PwC, 2020). Conversely, the performance in the hospitality industry largely has been affected in the last five years partly due to security risks posed by terrorism, the Covid-19 pandemic prompting travel advisories by Western countries which has contributed to the decline in bed night occupancy, international arrivals and tourism earnings (PwC, 2020). Fortunately, GoK, (2021) reported that, however the hotel industry has of late indicated signs of recovery emanating from lifting of travel advisories, enhanced security, foreign missions and hosting of multi-national conventions that are currently going on.

In Kenya, the Hospitality sector is a service sector which evolved in line with the coming of transportation industry and start of trading (Kariru & Aloo, 2017), It is one of the oldest professions and is major economic activity all over the World. It is a popular generic name for hotel and restaurant industries. According to Wadongo (2010), it includes Lodging (Hotels, Motels) Foodservice (Restaurants, Caterings), Leisure (Vacations, Parks, Sightseeing, and Hiking), Conventions (Meetings, Trade Shows), Travel (pleasure, business) and attractions (fairs, gatherings, shows). Hospitality industry is labour-intensive service giving economic sector and gives job opportunities for millions of people. Hotel is therefore part of hospitality sector and it is a commercial establishment providing lodges, meals, and guest services. It must have minimum facilities such as private bathrooms (Wadongo, 2010).

In Kenya, the hospitality industry is a service industry that developed in line with the advent of the transport industry and the initiation of trading (Kariru & Aloo, 2017), it is one of the oldest professions and a major economic activity worldwide. It is a popular generic name for the hotel and restaurant industry. According to Wadongo (2010), it includes accommodation (hotels, motels), food services (restaurants, catering), leisure (vacation, parks, sightseeing and hiking), conventions (meetings, trade shows), travel (entertainment, business) and attractions (fairs, meetings, exhibitions). The hospitality industry is a labor-intensive service that provides an economic sector and provides employment opportunities for millions of people. A hotel is therefore part of the hospitality sector and is a commercial establishment providing

accommodation, catering and hospitality services. They must have minimal amenities such as private bathrooms (Wadongo, 2010).

PwC (2015) claims that the business operation of the hospitality industry is directly related to the business operation of the tourism sector. According to Karir and Aloo (2017), the hospitality industry has contributed significantly to the economic development of the country. It also becomes a source of job opportunities for many people. The World Travel and Tourism Council (2016) explained that the Kenyan hospitality sector contributed to 509,000 jobs in 2007 and predicts that the industry will contribute 628,000 jobs in 2017. This steady growth in the industry shows that it contributes a lot to the general economic development. One of the branches in the hospitality sector is the hotel industry. It is part of the hospitality sector which includes 5 star, 4 star, 3 star, 2 star, 1 star and other hotels (Gichuru & Limiri, 2017).

Hotels in Kenya offer a wide range of services that meet clients' needs. Class, elegance, atmosphere and quality services are the main distinguishing factors of hotels. Hotels in the industry operate under high competition (Kariru & Aloo, 2017). Regardless of the high quality and good facilities of hotels in Kenya, competition for resources and market share in the hotel sector in Nairobi, Kenya is very high. Players in the hospitality industry face increased competition in the market for skilled hospitality labor and market share (PwC,2019). According to Wadongo (2010), clients' needs and preferences also change from time to time. In this consideration and other globalization factors, firms need to review their operation approaches and focus more resources to better their facilities to effectively compete.

Hotel ratings are based on the amenities they have and the quality of service they provide. The Kenya Ministry of Hotels and Tourism is tasked with awarding this rating. Five-star hotels are the most luxurious in the hotel industry market in Nairobi, Kenya. There are 12 five star hotels in Nairobi and includes Sarova Stanley Hotel, Sankara Nairobi, Crowne Plaza Nairobi, Nairobi Serena Hotel, Villa Rosa Kempinski, Sovereign Suites, Radison Blu (Upper Hill and Milimani), Movenpick Residence Hotel, Hemisngway Nairobi, The Boma, Fairmount, Norfolk (Tripadvisor,2023). Additionally, there are 8 five-star hotels in the radius of 5 km from the CBD. This study therefore sought to establish how the operational performance of these hotels was influenced by service design approaches factors.

1.2 Problem Statement

The hotel business is one of the sub-sectors in the tourism industry that is expected to contribute to Kenya Vision 2030's target of 10% annual economic growth. Besides, the industry directly employed 82,900 people in 2019 and indirectly employed 9 million people when combined with trade (Richard & Normann, 2020). The hotel industry, on the other hand, is one of the sub-sectors hardest hit by the COVID-19 pandemic's effects. Chen and Li (2018) highlighted that providing personalized experiences and customized services resulted in improved operational efficiency, increased guest satisfaction, and higher profitability.

Raza et al. (2015) conducted a study on the relationship between service design and customer satisfaction in the hospitality industry, the research provided insights into the global perspective and highlights the importance of service design in enhancing customer satisfaction, while Smith and Johnson (2018) conducted a study in the United Kingdom, investigating the effect of personalized service design on customer satisfaction in luxury and findings revealed that personalized experiences, such as customized amenities and tailored recommendations, significantly enhanced guest satisfaction and loyalty and that Müller and Schwarz (2019) in Germany while examining the impact of self-service technologies on operational performance in luxury hotels and established that the implementation of self-service kiosks and mobile apps led to improved efficiency, reduced waiting times, and increased guest satisfaction. Marić, Marinković, Marić and Dimitrovski (2016) also analysed the Tangible and Intangible Hotel Service Quality Components in Kragujevac City in Serbia and established that tangible and intangible element are significant component of service quality in the hotel industry.

Li and Zhang (2017) conducted a study in China that focused on the influence of service personalization on customer satisfaction and operational performance in luxury hotels and revealed that offering personalized services, such as tailored itineraries and customized amenities positively influenced guest satisfaction and significantly enhanced guest satisfaction and loyalty. Asamoah et al. (2019) while examining the effect of service responsiveness on the operational performance of luxury hotels in Ghana, emphasized the importance of prompt and efficient service delivery in enhancing operational efficiency and guest satisfaction. Another study by Mhlanga (2018) also sought to identify factors influencing hotel experiences for millennial tourists. The

study revealed that responsiveness was among the leading factors that significantly impacted hotel experiences for millennial tourists in South Africa.

Locally, studies have evaluated how strategies of cost leadership and differentiation influenced the performance positively. Nzioki (2016) in his study of the Tea Manufacturing sector in Kenya found out those companies that embraced strategic management had positive performance. A study by Nyaga (2018) on the relationship between tangibility and operational performance among hotels in, Nairobi, Kenya established a significant positive relationship between tangibility and operational performance among hotels in the country, the study did not cover the other quality approaches while Muthoni (2019) on relationship between responsiveness and operational performance among hotels in Kenya also established a positive association between responsiveness and operational performance among hotels in Kenya, the study was only focused on one variable and not four proposed by the study.

Within an organization service design system, majority of past studies have investigated the relationship between service design and customer satisfaction. It is, therefore, critical for the hotel management to explore innovative strategies to increase resilience and motivate the sector during pandemics to maintain its growth trajectory. While past studies have focused on different aspect of customer services or operations performance, there is scarcity of studies on the relationship between service design approaches and the operational performance of five-star hotels in Nairobi city county Kenya. Additionally, as much as these studies have focused on hotel sector, there are fewer studies available which have evaluated the extent to which operational performance was influenced by service design approaches factors or also covered the four services approaches and therefore the existing studies are not that exhaustive. Noticeably, the Kenya's hotel sector performance grew by over 21.5 percent in the first quarter of 2023 representing a substantial decline in comparison to 2022, when the sector's value added was around 40.1 percent with service quality being critical even as the sector projects to improve further in the second, third and fourth quarters (KBS, 2023). In conclusion, the existing shows intense conceptual, contextual and methodology gaps. Therefore, this study sought to establish the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county Kenya.

1.3 General Objective

The general objective of the study was to determine the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county Kenya.

1.3.1 Specific Objectives

- i. To establish the effect of tangibility on organization operational performance of five-star hotels in Kenya.
- ii. To determine the effect of responsiveness on organization operational performance of five-star hotel in Kenya.
- iii. To examine the effect of service sequencing on organization operational performance of five-star hotels in Kenya.
- iv. To analyse the effect of service evidencing on organization operational performance of five-star hotels in Kenya.

1.4 Research Questions

The following research questions was guided the study

- i. What is the effect of tangibility on the organization operational performance of five-star hotels in Kenya?
- ii. What is the effect of responsiveness on the organization operational performance of five-star hotels in Kenya?
- iii. What is the effect of service sequencing on the organization operational performance of five-star hotels in Kenya?
- iv. What is the effect of service evidencing on the organization operational performance of five-star hotels in Kenya?

1.5 Scope of the Study

1.5.1 Conceptual Scope

The study focused on the efficacy of service design approaches on organization operational performance of five-star hotels in Nairobi City County Kenya. Specifically, the study attempts to establish the relationship between tangibility, responsiveness, service sequencing, and service evidencing approaches on the operational performance of five-star hotels in Nairobi County.

1.5.2 Theoretical and Methodological Scope

The study was anchored on Resource-Based Theory and Parasuraman's Model to explain the relationship between service design approaches and the organization operational performance of

five-star hotels. The study employed cross-sectional survey design and collect data through questionnaires which was analyzed through descriptive and inferential statistics.

1.5.3 Contextual Scope

The study determined the interaction effect of customer experience between service design approaches and performance of five-star hotels in Nairobi County Kenya. The researcher targets 8 Five Star Hotels in the five-star hotels in Nairobi County Kenya. Specifically, the study targeted the operations and marketing department staffs and also clients of the five-star hotels in the five-star hotels in Nairobi County Kenya.

1.5.4 Time Scope

Data was collected over a period of one month and focused on the 8 five-star hotels in Nairobi City County Kenya namely Sarova Stanley Hotel, Sankara Nairobi, Crowne Plaza Nairobi, Nairobi Serena Hotel, Villa Rosa Kempinski, Sovereign Suites, Radison Blu (Upper Hill) and Movenpick Residence Hotel.

1.6 Significance of the Study

The findings of this study maybe be important in the following ways:

Policy makers in the hotel sector may also benefit from the study highlighted the several service design approaches factors, the way they can be improved in order to achieve the desired organization operational performance factors in the five-star hotels in Nairobi city county Kenya. Additionally, the policy makers may ensure that there is enough policies that can improve operational performance in the country.

The study may also help in service design analysis for the five-star hotel industries in the Kenya. Through this, potential and existing investors in the hotel industry would be informed on the relevant and effective service designs that are available in the hotel industry so as to identify a specific design that is worth investing into. This would not only help investors to maximize the returns in the end but would also help to develop the industry to generate employment opportunities.

The study findings are also aimed at helping different firms attain success in customer experience and increase their operational performance through building on customer experience and customer base for optimal profitability. The findings may help the hotels in adapting best practices in services design approaches in order to achieve the desired organization operational performance. The findings of the study may also help the management of the hotels covered by the study and the management of other hotels in developing effective policies that can guide in the implementation of services design approaches so that the hotels can achieve their operational performance goals and the overall organization operational performance objectives and ensure that the investors get the best returns on their investment.

In addition to the above, the study findings may also act as a source of reference material for the studies that may be done in the future on other related topics especially on the premise that it may fill the existing gap of knowledge in the effects of service design practices on operational performance. The study might therefore be relevant to institutions as reference document for individuals and bodies interested in establishing hotels in Kenya, as it may guide them in their choice of market.

1.7 Chapter Summary

This chapter included the introduction to the study, the statement of the problem, research objectives and questions and the scope to be covered by the study. The chapter also includes the Significance of the Study to various parts.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter covers the theoretical framework, Empirical Review of Service Design Approaches, Conceptual Framework and Summary of the Chapter.

2.2 Theoretical Framework

This is the theoretical foundation of the research. The section covers relevant models and theories that inform the research. Specific parts of the section include the Parasuraman's Model, Porter's Theory and Resource-based Theory.

2.2.1 Parasuraman's Model

The theory was developed by Parasuraman et al., (1985) and posits that the discrepancy between consumers' perceptions of services offered by a particular firm and their expectations about firms offering such services. It measures the degree of satisfaction of users by analysing their expectations and perceptions of organization services across five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. The model identifies gaps or shortcomings between user expectations and the service offered, which can hinder the perception of quality in service provision. The model predicted that perceived service quality could be determined by the measurement of the difference between consumers' ratings of the perceptions of service quality (P) and their expectations of service quality (E) calculated as $\text{Service Quality} = P - E$. The model has been used in studies on user satisfaction across many sectors, with favorable results obtained. Supporters of the theory such as Guo , Badar and Ajwaad (2024) used the model to highlight the changing dynamics of consumer preferences and the emergence of a more informed and discerning customer base and the also pointed out the interplay between brand loyalty and customer retention through the lens of evolving market trends, digitalization, and the integration of smart technologies in consumer durables. Kim and Park (2021) also established that brand loyalty is sometimes based on consumer durable products.

Critics of the model such as Coulthard (2004) have highlighted the challenges associated with the development of instruments for evaluating service quality that control or inhibit the impact of

these biases. Comparably, the even in the present state, SERVQUAL is a helpful operationalization of a somewhat nebulous construct compared to the model. On the other hand, studies such as Andersson (1992) criticized the failure of Parasuraman et al. (1988) to use economic, statistical and psychological theory to inform the development of the model.

In applying this model to the study, the degree of satisfaction of users by analysing their expectations and perceptions of five hotel services across the dimensions: tangibility, responsiveness, service sequencing and service evidencing as predictors to organization operational performance in five starts hotels in Nairobi, County.

2.2.2 Porter's Theory

Porter's competitive force theory is principled on the five perspectives that include; new entrants' threat, substitute products' threats and the buyer and supplier power. The theory was founded by Michael Porter in 1980. According to the theory, the competitive advantage of an organization is affected by the company environment (Porter, 1980). Therefore, the primary facet of the company's environment is its competition space. Further, the theory states that competitive strategies of an organization, alter its direction and provides a guiding principle of helping the companies understand where they are, their direction and how to get there. The approach argues from the five forces perspective that determines a firm's competitiveness. The five perspectives include; new entrants' threat, substitute products' threats and the buyer and supplier power (Porter, 1980). It is important to note that the theory is supported by other scholars. For instance, Teece supports the applicability of the theory in real life by illustrating the theory's empirical applicability (Teece, 1984).

The critics or opponents of the theory, however, authors pointed out its shortcomings, stating that it is backward-looking, so its findings are mostly only relevant in the short term; this limitation is exacerbated by the impact of globalization. Another principal setback is trying to try to apply the five forces in assessing individual firms against a whole industry, given that this was the motivation of this framework. The other critics of the theory is that it is problematic given that that it is structured so that each company is placed in one industry group when some companies straddle several. Another critic with the theory is that issue includes the need to assess all five forces equally when some industries are not as heavily impacted by all five.

Despite these critics or opponents of this theory is relevant to this study in that it provides detailed competitive attributes a company can use to disseminate advanced knowledge concerning strategic management performance and drivers. The five forces analysis can be used to guide business strategy and also in strategic adaptation of service design approaches to improve competitive advantage through improved operational performance. In relation to the study competitive strategies of an organization such as service design approaches can be used to alter its direction of the organization such as the operational performance of five-star hotels in Nairobi city county Kenya. Effective strategies such as service design approaches can therefore be adapted in order to improve the operational performance of five-star hotels.

2.2.3 Resource-Based Theory

Resource-Based Theory was initially developed by Wernerfel in 1984 and was later compounded by Penrose in 1959, Rumelt in 1984, and Barney in 1991. The theory is founded on the application of various readily available resources in the organization. For any desired outcome, firms have to rely on their available resources. Organizational resources are either intangible or tangible (Peteraf, 1993). The strategic resources possession gives firms the golden opportunity to develop competitive advantage over their rivals. Thus, firms should invest in strategic resources possession and change management practices to gain their capabilities. It is also critical to note that the organization must strive to attain market leadership position by improving their potentiality, avoiding their weaknesses, determining their opportunities and overcoming the potential threats. All organizations in the market strategy to attain market leadership. Therefore, businesses should find their unique strengths and leverage them to attain competitive advantage. Resource positioning is an advantage to most organizations as different organizations have different capabilities (Owido, 2021). The focus of the businesses is not only to be profitable but also to remain relevant in the continuously changing market.

Even though the theory is widely accepted, it has a few critiques and opponents for instance, the study was criticized by Priem and Butler who stated that the approach lacks adequate operational validity and managerial implications (Priem & Butler, 2001). Additionally, the theory was criticized by Miller and Connor who argued that the approach over emphasized on developing

resources without addressing the ways or methodology of achieving the task. Kenya. Effective strategies such as service design approaches can therefore be adapted in order to improve the operational performance of five-star hotels. Service design approaches remain a critical resource and improve the operational performance of five-star hotels. However, for this study, the theory proved crucial in the influence for organizational performance through strategic resource capabilities. In relation to this study given that the service design approaches can be enhanced as an internal resource, these resources can therefore be used to improve the operation performance of the five-star hotels in Nairobi, Kenya.

2.3 Empirical Review

This section presents a review of literature as presented by various scholars who have investigated similar studies.

2.3.1 Tangibility and Organization Operational Performance

Tangibility as a service delivery strategy is crucial in enhancing performance in the hotel industry. A study by Kim (2016) evaluated the relationship between tangibility and operational performance in the hotel service sector in the United States of America. The study through empirical review that covered hotels at different level found that tangible attributes, such as room quality, cleanliness, and appearance, significantly influenced client satisfaction and loyalty in the hotel sector.

Another study by Wong and Sohal (2002) evaluated the effect of tangibility on the overall performance across a number of sectors providing services including the hospitality industry in Australia. The study while using semi-structured customer satisfaction questionnaire targeting revealed that the physical environment of hotels, including their layout, design, and ambiance, had a direct impact on customer perceptions and behavioral intentions. This study is not based in Kenya and therefore the findings cannot be generalized to the Kenyan context.

Marić, Marinković, Marić and Dimitrovski (2016) analysed the Tangible and Intangible Hotel Service Quality Components in Kragujevac City in Serbia. Convenience sampling method was used to select 220 respondents. Through personal interviews, the study gathered data that comprised of 19 tangible and 14 intangible attributes of service quality, which the respondents

rated on a five-degree scale. The analysis also identified the factorial structure of the tangible and intangible elements of hotel service. The study established that tangible and intangible element are significant component of service quality in the hotel industry. The study also highlighted the significance of individual quality components in hospitality industry although was not carried in Kenya and therefore the findings are not exhaustive in the Kenyan five-star hotel segment.

Another study by Edike and Uduak (2020) investigated consumer feeling of three-to-five-star hotels on four intangible aspects of service quality in Akwa Ibom State, Nigeria. The study through a survey research design analyzed the collected data through frequency distribution statistics, Pearson correlation analysis and regression. The study findings indicated that intangible service quality is a good determinant of customer satisfaction. The intangible aspects of service quality, assurance, reliability, empathy and responsiveness have a positive and significant impact on hotel customer satisfaction in Akwa Ibom State. The results also showed that assurance is the intangible aspect that very well predicts client's satisfaction. On the other hand, reliability and empathy are good predictors and customers of three-to-five-star hotels are moderately satisfied with service delivery in Akwa Ibom State. Although the study used correlation and regression methods, the study is not based in Kenya and therefore the findings cannot be generalized to the Kenyan context.

Similarly, a study by Melewar and Akei (2005) assessed the differentiation Strategies employed by classified hotels in prime cities in Kenya. The study while reviewing different empirical studies found that the physical appearance of the hotel, including the cleanliness of the room and the quality of amenities, was an important determinant of customer satisfaction in five-star hotels. The finding also highlighted the significance of considering tangible elements as part of service design approaches in the hotel industry, as they have the potential to positively influence customer satisfaction, loyalty, and financial performance. The study recommended that it was important for five-star hotels in Nairobi city county to carefully consider the tangibility aspect of their service design approaches to enhance the customer experience and improve operational performance and suggested that tangibility is an important strategic factor that can contribute to the competitive advantage of hotels. The study also suggested that by investing in the physical aspects of their properties and ensuring a pleasant and comfortable environment for guests, hotels in Kenya can

enhance their operational performance and effectively respond to competition. While the study covered tangibility as a variable, the study was not based on five-star hotels.

Another study conducted by Nyaga (2018) evaluated the relationship between tangibility and operational performance among hotels in, Nairobi, Kenya. A multi-stage sampling method was employed to selecting a representative sample of hotels as listed by the Kenyan Association of Hoteliers. Additionally, a systematic random sampling technique was used to select hotels from different categories (i.e., luxury, mid-range, and budget hotels) to ensure a diverse representation of the industry. The results indicated a significant positive relationship between tangibility and operational performance among hotels in the country. Tangibility refers to the physical aspects of a hotel, including its facilities, infrastructure, and equipment. The study found that hotels with well-maintained and modern physical facilities tended to have better operational performance indicators, such as higher occupancy rates, revenue per available room (RevPAR), and customer satisfaction scores. This suggests that tangible aspects play a crucial role in attracting and retaining customers, as well as enhancing the overall operational efficiency and effectiveness of hotels. While the study indicated a significant positive relationship between tangibility and operational performance among hotels in the country, the study did not cover the other quality approaches.

2.3.2 Responsiveness and Organization Operational Performance

Responsiveness refers to the ability of hotels to promptly and efficiently address customer needs, concerns and requests. Ali, Gardi, Othman and Ahmed (2021) assessed the effects of service quality on client's satisfaction in hotels in the city of Erbil in the Kurdistan Region. The quantitative study through random sampling method gathered data from a sample of 111 participants. This study established that responsiveness was among the four of service quality dimensions that had a positive relation with client's satisfaction, although reliability had negative relation with client's satisfaction. While the study established that service quality dimensions that had a positive relation with client's satisfaction, the study was not based operational performance.

A study by Lee and Hwang (2017) assessed the service quality on client's satisfaction in Hotels in Seoul, South Korea. The study through online interviews customer satisfaction survey method collected data on service quality components that affected customers' satisfaction in the hotel

sector. The results indicated that responsive service significantly influenced customer satisfaction, which in turn positively impacted operational performance measures like occupancy rates and average daily rates. The study was conducted in a different locale and therefore, the findings cannot be generalized.

Similarly, a study by Singh and Devi (2016) factors affecting customer services quality in five-star hotels in Mumbai, in India. The study targeted customers that visit the hotels. The study used a descriptive survey that used customer survey questionnaires to collect data from the targeted customers. The study highlighted the importance of responsiveness in generating positive word-of-mouth recommendations and enhancing customer loyalty, thereby contributing to improved operational performance. The results also highlighted that when a hotel fails to be responsive, it can result in a negative perception, leading to customer dissatisfaction, and ultimately, loss of business. Noticeably, the study was conducted in a different locale and therefore, the findings cannot be generalized.

A study by Mhlanga (2018) sought to identify factors influencing hotel experiences for millennial tourists. The study mainly employed quantitative method with some qualitative elements. The qualitative method was employed on seven hoteliers while quantitative method was employed on 424 domestic millennial tourists of hotels in Gauteng, South Africa. The study revealed that responsiveness was among the leading factors that significantly impacted hotel experiences for millennial tourists in South Africa. The study also advised that in order to improve responsiveness the hotels need to adapt digital booking, check-in and check-out mobile services. The study used both quantitative and qualitative methods, unlike the proposed study that used only quantitative method.

Another study conducted by Muthoni (2019) examined the relationship between responsiveness and operational performance among hotels in Kenya. The study focused on hotels located in popular tourist destinations such as Mombasa and Nakuru, which are known for their high levels of competition in the hospitality industry. A purposive sampling method was used to select hotels that represented different categories (e.g., luxury, mid-range, and budget) and varied in terms of size and ownership. Results showed a significant positive association between responsiveness and

operational performance among hotels in Kenya. The study revealed that hotels that exhibited a high level of responsiveness, such as quick response times to inquiries, efficient handling of guest complaints, and personalized service delivery, demonstrated better operational performance indicators. The findings of the study although established a positive association between responsiveness and operational performance among hotels in Kenya, the study was only focused on one variable and not four proposed by the study.

2.3.3 Service Sequencing and Organization Operational Performance

Optimizing service delivery processes and ensuring a smooth and efficient sequence of customer interactions, hotels can improve their operational efficiency, customer satisfaction, and overall performance. A study by Choi and Chu (2015) evaluated the relationship between Service sequencing and organization performance in leading hotels in the United States. The empirical review that covered a number of hotels across the United States of America highlighted the importance of well-designed service sequences in minimizing customer dissatisfaction, service failures, and operational bottlenecks. The study focused on an empirical review approach and not quantitative methods and therefore the findings cannot be generalized.

Another study by Chang (2018) evaluated the effect of service sequencing in leading hotels in Taipei City, Taiwan to establish how this influenced the hotel industry players as a tourist destination. The study through purposive sampling targeted a number of leading hotels in the city of Taipei in Taiwan. The study through quantitative and qualitative data analysis found that effective service sequencing positively impacted guest perceptions of service quality and operational efficiency in hotels in the sample five-star hotels. The study advised that there was need to ensure that the hotels properly evaluated service sequencing in order to achieve the desired tourist attraction. This study is different from the proposed one as it only focuses on service sequencing and not other variables.

In Ethiopia, Hussen (2017) conducted a study on the effect of service quality on clients' retention of existing customers in the 5 selected hotels in Gambella Regional State at Gambella Town employed descriptive cross-sectional survey design. The study through quantitative and qualitative approaches and by modifying service quality model used HOLSERV model that

focused on 22 item questions of customer perception. The study used convenience sampling techniques and collected data from the regular customers visiting the hotels in Kampala. While the study established that service quality dimension such as Service sequencing are positively correlated and indicated a strong correlation with client's retention, the study is different from the proposed one as it only focuses on service sequencing and not other variables.

Another study conducted by Kiptoo and colleagues (2020) explored the relationship between service sequencing and operational performance in hotels in Kenya. The study focused on hotels in major cities like Nairobi and Mombasa, where competition within the hospitality industry is intense. A stratified random sampling technique was used to select a diverse sample of hotels, considering factors such as hotel size, star rating, and location. The findings of the study indicated a significant positive relationship between service sequencing and operational performance among hotels in Kenya. Service sequencing refers to the strategic ordering of service delivery processes to optimize efficiency, customer experience, and overall operational performance. The study also revealed that hotels that implemented effective service sequencing strategies, such as streamlined check-in and check-out processes, efficient handling of guest requests, and synchronized operations across different departments, demonstrated improved operational performance indicators. These indicators included reduced guest waiting times, enhanced staff productivity, and increased customer satisfaction scores. While the studies, revealed that hotels that implemented effective service sequencing strategies improved on their performance, the study only focused on service sequencing and not the other variables.

2.3.4 Service Evidencing and Organization Operational Performance

Service evidencing is one of the quality services components that is critical in achieving the desired operational performance in the hotels industry. A study by Johns and Tyas (2016) conducted a study on service evidencing in leading hotel across the United Kingdom. The purposive sampling that targeted service managers in leading hotels across the United Kingdom. The study through regression analysis established a relationship between service evidencing and operational performance. The study highlighted the importance of service evidencing in influencing customer trust, satisfaction, and overall operational performance. As much as this study was carried out in the hotel sector, it was conducted in UK and not Kenya.

Another study by Zhang (2019) evaluated service evidencing among hotels rated within the five stars rating in Chinese city of Shanghai. The descriptive survey study targeted executives in the leading hotels in the city of Shanghai. The study that used interviews to collect data from the respondents employed qualitative analysis methods to establish service evidencing among the targeted hotels. The study found out that service evidencing significantly influenced client's perceptions of service quality and loyalty intentions in hotels. As much as this study was carried out in the hotel sector, it was conducted in Chinese city of Shanghai and not Nairobi, Kenya.

A study in South Africa a study by Mukhles (2017) evaluated Service Quality in the Hospitality Industry in South Africa. The study through an SERVQUAL model that consisted of different dimensions, namely: empathy, reliability, assurance, responsiveness and tangibility established that many benefits can be achieved by service quality approaches such service evidencing and providing a competitive advantage to a business. While this study employed a SERVQUAL model, this study is factor on Resource-based Theory and Porter's Theory and therefore are different in theoretical approach.

The study conducted by Otieno (2017) was to examine the relationship between service evidencing and operational performance in hotels in Kenya. The study focused on hotels located in key tourist destinations such as Maasai Mara and Diani Beach, where competition within the hospitality industry is fierce. A combination of convenience and purposive sampling methods was employed to select a representative sample of hotels that varied in terms of size, star rating, and ownership structure. The study revealed a significant positive association between service evidencing and operational performance among hotels in Kenya. Service evidencing refers to the tangible and intangible cues that hotels provide to demonstrate the quality and value of their services to clients. The study found that hotels that effectively showcased evidence of their service quality, such as through attractive website design, positive online reviews, professional staff appearance, and well-maintained physical facilities, exhibited better operational performance outcomes. These outcomes included higher customer satisfaction ratings, increased customer loyalty, and improved financial performance. As much as the study was based on hotel sector in

Kenya, the study used convenience and purposive sampling methods and not stratified random sampling method.

2.4 Summary of the Literature Review and Study Gap

The literature review provide studies on the relationship between Service Approaches that include tangibility, responsiveness, service sequencing, service evidencing on Operational performance is the dependent variable as measured by customer satisfaction, service delivery time, customer service average response and time client wait time. The studies present a comprehensive study to indicate the study gap and highlighting the need of the study. Further the literature review provide a summary of the study, their authors, findings and the study gaps that were filled by this study. The summery is included below.

Table 2.1 Summary of the Literature Review and Study Gap

Author	Title	Findings	Research Gap
Kim (2016)	The relationship between tangibility and operational performance in the United States hospitality industry	Tangible attributes, such as room quality, cleanliness, and appearance, significantly influenced clients' satisfaction and loyalty in the hotel industry.	The study was carried out in USA and not in Kenya and therefore the findings cannot be generalized to Kenya; this study was carried out in a different context.
Nyaga (2018)	The relationship between tangibility and operational performance among hotels in Nairobi, Kenya	Well-maintained and modern physical facilities tended to have better operational performance	The study only covers over customer service design and not the four to be covered by the study. This study was carried out in a different conceptual framework.
Ali et al (2021)	The effect of service quality on customer satisfaction in hotels in the city of Erbil, Kurdistan Region.	Responsiveness was among the four of service quality dimensions that had a positive relation with customer satisfaction	The study though based on service delivery in the hotel sector, the study did not cover operation performance. This study is conceptually different
Mhlanga (2018)	Factors influencing hotel experiences for millennial tourists.	Responsiveness was among the leading factors that has significantly impacted the hotel experience for millennial tourists in South Africa	The study was not specific to service design and operational performance; This study is contextually different
Choi and Chu (2015)	The relationship between service ranking and organizational performance in	well-designed service sequences minimize customer dissatisfaction, service failures, and operational bottlenecks	The study focused on general organization performance and not specific to operation performance.

	leading hotels in the United States.		
Kiptoo and colleagues (2020)	The relationship between service ranking and operational performance in hotels in Kenya.	Significant a positive relationship between service ranking and operational performance among hotels in Kenya	Although the study was based in Kenya, it did not cover the other service design proposed by the study; This study indicates a contextual gap
Otieno (2017)	The relationship between service records and operational performance in hotels in Kenya.	Hotels that effectively showcased evidence of their service quality had higher customer satisfaction ratings, increased customer loyalty, and improved financial performance.	Although the study was based in Kenya, it did not cover the other service design proposed by the study; This study is in both conceptual and contextual gap.

Source Researcher (2024)

2.6 Operationalization of the variables

Tangibility, responsiveness, service sequencing, service evidencing are the independent variables as measured by the indicators self-service, physical amenities, timely services, complaint handling, and order of service delivery. Operational performance is the dependent variable as measured by customer satisfaction, service delivery time, customer service average response and time client wait time. The study measured its variables as follows:

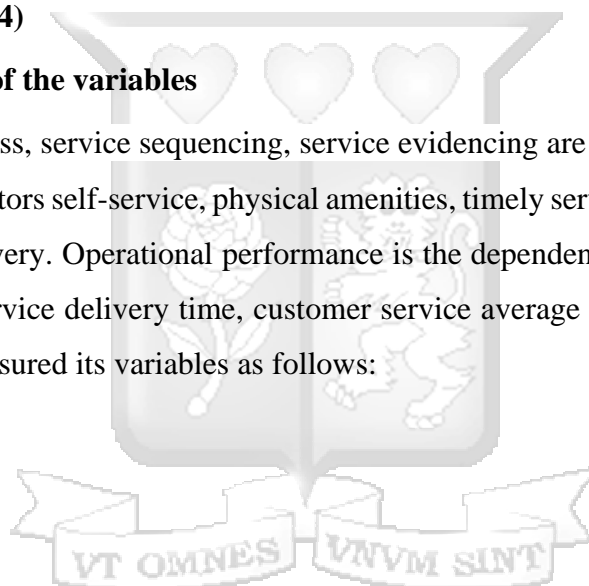


Table 2.2: Operationalization of the Variables

Variable	Variable construct	Indicator	Indicator Contextual Definition	Measure	Analysis Method	Information Source
Service Approaches (Independent Variables)	Tangibility	Self service	A system or process in which guests perform tasks or access information independently, without requiring	Ordinal Data 5-point Likert Scale	Descriptive Statistical Analysis (Mean & Standard Deviation)	Questionnaire section B

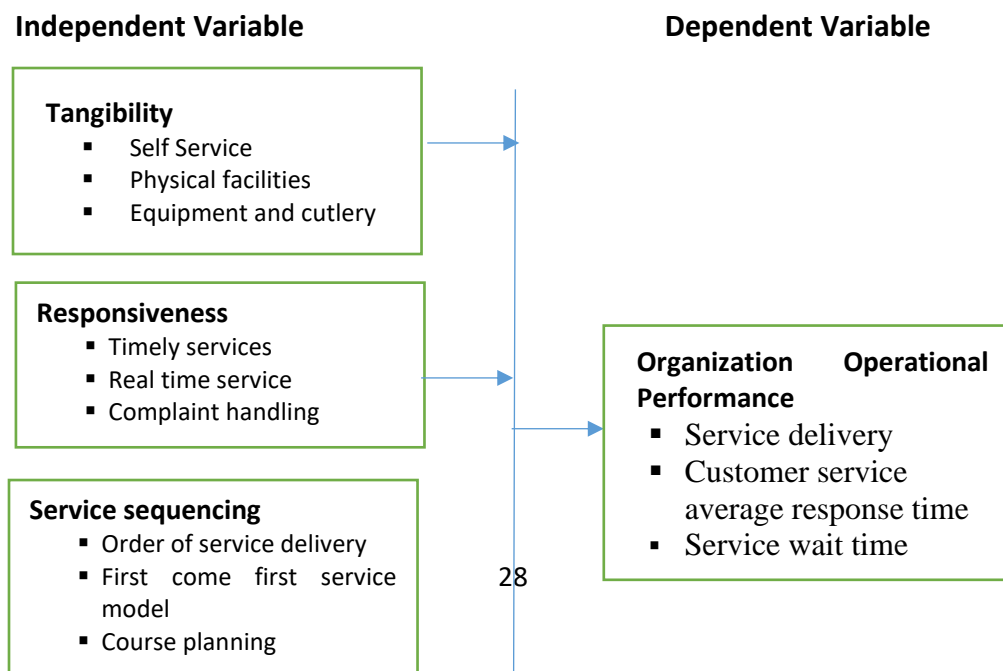
			the assistance of hotel staff			
		Physical facilities	Refers to the physical aspects of a hotel which can greatly impact guest perception and overall experience	5-point Likert Scale		Questionnaire section B
		Equipment and cutlery	The utensils and supporting equipment	5-point Likert Scale		Questionnaire section B
	Responsiveness	Timely services	Timely service refers to the speed and efficiency with which hotel staff are able to provide services and address guest needs	5-point Likert Scale	Descriptive Statistical Analysis (Mean & Standard Deviation)	Questionnaire section B
		Real time service	Timeliness of services delivery			
		Complaint handling	Complaint handling refers to the hotels ability to effectively address and resolve guest complaints			
	Service sequencing	Order of service delivery	Refers to the sequence and timing of services provided to guests during their stay which creates a more seamless experience	5-point Likert Scale	Descriptive Statistical Analysis (Mean & Standard Deviation)	Questionnaire section B
		First come first service model	Refers to the first come first served ordering of service	5-point Likert Scale		Questionnaire section B
		Course planning	Order of services or buffet Planning			
	Service Evidencing	Physical evidence of a service	Physical evidence of a service Attributes of a service	5-point Likert Scale	Descriptive Statistical Analysis (Mean & Standard Deviation)	Questionnaire section B
		Attributes of a service	Attributes of a service	5-point Likert Scale		Questionnaire section B

		Quality evidence	Product ability to meet the set-out standards	5-point Likert Scale		Questionnaire section B
Organization Operational Performance (Dependent Variable)	Organization Operational Performance	Customer service time	Time taken to provide a particular service	5-point Likert Scale	Inferential Statistics (Pearson Correlation, Linear Regression Analysis)	Questionnaire section C
		Service wait time	Time taken waiting for a particular service	5-point Likert Scale	Inferential Statistics (Pearson Correlation, Linear Regression Analysis)	Questionnaire section C
		Customer service average response time	Average time taken to provide a particular service	5-point Likert Scale	Inferential Statistics (Pearson Correlation, Linear Regression Analysis)	Questionnaire section C

Source Researcher (2024)

2.7 Conceptual Framework

This part indicates the relationship between independent variables and dependent variables. The study was based on Porter's Theory and Resource based Theory Parasuraman's Model where Porter's Theory and Theory Parasuraman's Model will represent the independent variables while dependent variable will be explained by organization operations performance.



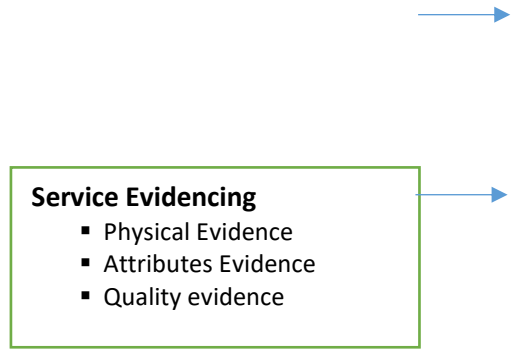


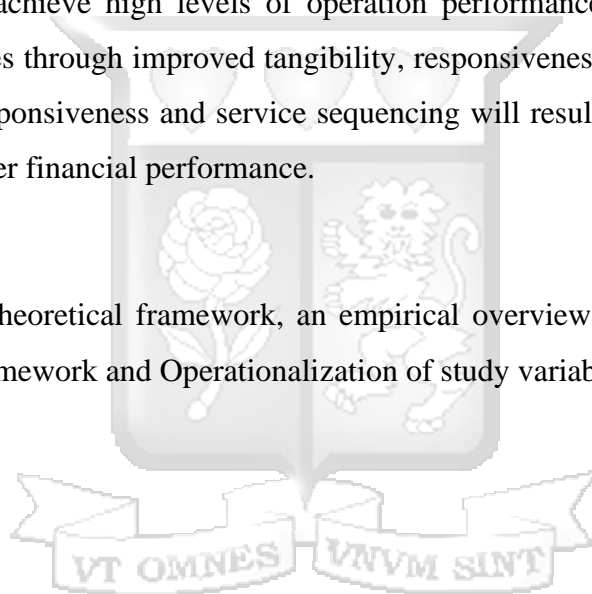
Figure 2.1: Conceptual Framework

Source: Researcher (2024)

The hotel industry can achieve high levels of operation performance if the can enhance the designing of their services through improved tangibility, responsiveness and service sequencing. Improved tangibility, responsiveness and service sequencing will result into improved customer internal services and better financial performance.

2.8 Chapter Summary

The chapter includes a theoretical framework, an empirical overview and a study gap. It also includes a conceptual framework and Operationalization of study variables.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter covers methods of data collection, data analysis and presentation, research design, study target population, sample size and frame, sampling technique, instrumentation, data collection procedure and presentation.

3.2 Research Philosophy

A philosophical approach guides the researcher in deciding why and how to approach the inquiry. Philosophy determines the question framing, study design, and title selection. The philosophy of study establishes values that shape decision-making in the process of research on the studied phenomenon. In addition, the principal assumption when choosing a research philosophy is how the researcher perceives the world (Bleiker et al., 2019). The preferred research philosophy to be adapted for this study was positivist. Positivist research philosophy stresses that insight into factual knowledge is only through observation and measurement (Park et al., 2020). The main ideal of the positivist research philosophy is to make the research representative, valid and reliable. There is a number of limitations to positivist philosophy of research. Park et al. (2020) cited that the positivist research philosophy method enables the use of inductive statistical techniques that generalize truths obtained through observational methods. An inductive approach can give poor results because observations can be speculative or subjective. Observations are also liable to suffer from measurement inaccuracies.

3.3 Research Design

Abutabenjeh and Jaradat (2018) state that research design is a method of collecting and analysing data to compile essential facts. Further, according to Tobi and Kampen (2018) research designs should offer protection against bias and increase reliability with maximum and great focus on the cost of the project to completion.

The study employed descriptive cross-sectional survey to evaluate the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county Kenya.

Cross-sectional design is justified for the study as it focuses on describing and defining the subject by using the collected data. This design ensures data is collected from all the respondents at the same time. The data is tabulated according research variables frequencies and the interaction of the of the people, events and problem. The study respondents were the five-star hotels managers from Kenya.

Abutabenjeh and Jaradat (2018) also explained the meaning of cross-sectional survey design as a simple and a usual method used in scientific technique of evaluating relationships, impacts of treatments and comparison between variables being studied through field data. Importantly, the design allows efficient presentation of the questionnaires to the respondents hence facilitating the investigations leading to the answering of the research questions.

3.4 Population of the Study

Majid (2018) defines study population as the total respondents the project focuses on to help the researcher attain the research intended purpose. It is important to note that population encompasses all the elements within the study scope and that are potentially answerable in the study. Furthermore, it is from the study population that the study sample is drawn.

The study population were the management staff in the five-star hotels in Nairobi County. The selected five-star hotel were the ones that fall in the radius of five Kilometres within and around the CBD. While there are 12 five-star hotels in Nairobi County. The study specifically targeted 8 five-star hotels that are located within the CBD and a radius of 5 kilometres. These hotels are not only critical in providing the necessary hotel services for visitors that come to Nairobi but also serve the largest city in Eastern Central Africa. Additionally, these five-star hotels continue to face competition from other hotels rated as three and four-star, the growing restaurant sub-sector. The specific five-star hotels to be covered include Sarova Stanley Hotel, Sankara Nairobi, Crowne Plaza Nairobi, Nairobi Serena Hotel, Villa Rosa Kempinski, Sovereign Suites, Radison Blu (Upper Hill) and Movenpick Residence Hotel.

3.5 Sampling Design

According to Lohr (2021), the sample size describes the population units where the sample is selected. The study covered five-star hotels in Nairobi, Kenya. Purposive sampling method was employed to select the management staff from Operations, Marketing Managers and F&B Departments from each selected hotel as they have critical and detailed management information. The management staff from each hotel that was selected had critical management information concerning strategic management practices and specifically service design approaches and their impact on the hotel operation and overall performance.

Sampling is the process of selecting several objects or units from a population in that the selected units comprises of elements representative of the group features (Orodho & Kombo ,2004). The study purposively selected the five-star hotels and the departments that have the relevant information to be used for the study. The study targeted 8 five start hotels targeted located within the CBD and a radius of 5 kilometres. The study focused on 142 staff from the top management, middle management and lower management levels from each hotel as the they have critical management information concerning strategic management practices impacting the hotel overall performance. The management staff purposely selected from the Operations, Marketing and F&B Departments. The strategic management practices are the background for service approaches which is the objective of the study.

Table 3.1 Sample Population

Hotel	Management Category			Total
	Operations Managers	Marketing Managers	F&B Departments managers	
Sarova Stanley Hotel	6	4	8	18
Sankara Nairobi	8	4	7	19
Crowne Plaza Nairobi	6	3	9	18
Nairobi Serena Hotel	5	3	8	16
Villa Rosa Kempinski	7	5	11	23
Sovereign Suites	5	4	8	17
Radison Blu (Upper Hill)	4	2	7	13
Movenpick Residence Hotel	6	3	9	18
Total	47	28	67	142

Source: HR Records of the Hotels (2023)

3.6 Data Collection Instruments

Haseski and İlic (2019) describe data collection as the process of data acquisition for research. According to Haseski and İlic (2019), the data can be collected from primary and secondary sources. Additionally, Haseski and İlic (2019) define data collection tools or instruments as the materials used to collect data used in the study. The study used primary data and collected through the use of structured questionnaires to collect primary data. This targeted senior management staff as they have critical management information concerning strategic management practices in the targeted five-star hotel in Nairobi, County.

This study used a five Likert scale structured questionnaire to collect the necessary data. The tool preferred method of data collection as it is cheaper to develop and administer (Ordo & Arabzadeh, 2019). They are also convenient and give timely data from the respondents. The tool also gives the respondents ample time to seek clarification on questions they cannot understand before they respond and submit their responses. Additionally, Ordo and Arabzadeh (2019) support the use of questionnaire as it is convenient to use. It is direct to the point and produces critical data on various disciplines.

Drop and pick method were used for the study where the questionnaires were given to respondents to fill and collected after one week. This ensured that the respondents were given time to fill the questionnaires

3.7 Validity and Reliability

3.7.1 Validity

Sürücü and Maslakçi (2020) define data validity as the degree to which the data results analysis represents the project phenomenon under study. Questionnaires used to in the study and to ensure validity they were pre-tested among five respondents within the study population and area. It is also important to note that the results from the pre-test excluded from the actual study to reduce biases. The study used professionals' opinion that included suggestions from the supervisor. These suggestions were included in the last study tools.

3.7.2 Reliability

Rezapour Nasrabad (2018) describes reliability as the precision and consistency achieved by a measuring instrument under same conditions. Reliability means that all the respondents can produce the same results if they use the same measurements under the same circumstances. Cronbach's alpha coefficient was used to test the reliability of the instrument. The internal consistency of survey items, or the average correlation of the same items, is determined using Cronbach's alpha. The purpose is to measure the reliability of the study. The readily accepted coefficient of reliability is 0.7.

Table 3.3: Reliability test Results

Type of Variable	Item (Variable)	Cronbach's Alpha	No. of Items
Independent	Tangibility	.884	5
	Responsiveness	.895	5
	Service Sequencing	.903	5
	Service Evidencing	.842	5
Dependent	Organization Operational Performance	.931	5

In Table 3.3, all the four service design approaches of tangibility, responsiveness, service sequencing and service evidencing posted Cronbach's alpha values of 0.884, 0.895, 0.903, 0.842 respectively, which were above the accepted value of 0.7. This meant that all the questionnaire items in the scales of the four service design approaches were internally consistent. Besides that, Organization Operational Performance posted Cronbach's alpha mean value of .931, which were above the accepted threshold of 0.7. This meant that all the questionnaire items in the scales of the service design approaches measures as predictors of Organization Operational Performance were internally consistent. Accordingly, the questionnaire was deemed satisfactory reliable for the main data collection exercise.

3.8 Data Analysis and Presentation

Data analysis is a step-by-step process of organizing data to a reasonable format from where inferences can be made (Mihis, 2019). According to Lester et al. (2020) data analysis

encompasses the translation of collected data into a form that can be manipulated to give logical statistics. In this case, the questionnaire is translated into a form that can be manipulated to derive logistical statistics. Essentially, data analysis also entails; assigning distinct data codes, keying it into the required analysis software, editing the data for completeness and monitoring the whole data processing process.

The study used both descriptive and inferential statistics to analyse the data collected. Descriptive analysis used to describe the effect of the of independent and dependent variables and included percentages, mean and standard deviation while inferential statistical analysis included Pearson Correlation and Ordinal regression analysis at 95% confidence level. This was used to establish significance relationship between independent and dependent variables that were used in the study. The analysis presented through charts, graphs and tables. SPSS software version 21 used for data analysis. The analysed data presented using charts and tables. The regression model below used to guide the multi-regression analysis.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: -

OP= Operational Performance

β_0 =intercept

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ = regression coefficients

TG=Tangibility

RPN=Responsiveness

SS=Service Sequencing

SE=Service Evidencing

ε =Error Term

3.9 Diagnostic Tests

3.9.1 Collinearity Test

The study also used variance inflation factors (VIF) to ensure that there is no linear relationship between the predictor variables in this study. A VIF value that is equal to 1 indicated a lack of correlation between the predictor variables, while a value that is greater than 5 indicated a high correlation between the predictor variables (Frost, 2020). This also ensured that the estimates of

the regression coefficient indicated by all the variables to be used by the study are not inflated due to collinearity.

3.10 Ethical Issues in the Research

3.10.1 Confidentiality

According to research ethics, all the respondents guaranteed confidentiality both in writing and orally. The research ensured that the information provided is treated with utmost confidentiality and that the information is used only for the purpose provided for by the study.

3.10.2 Voluntarily Participation

The respondents were not influenced or induced with by any material or financial benefits. The researcher ensured that the participation in the study is voluntary and that they are not influenced are not coerced in any way and any information obtained through this manner was used in the study.

3.10.3 Ethical Approval

Before proceeding with data collection, the researcher applied for ethical approval from Strathmore University and obtain a research permit from the National Science, Technology and Innovation Commission. The study also ensured that every previous studies used in the study is properly cited and the source acknowledged.

3.11 Chapter Summery

This chapter included the target population, sampling techniques used, data collection procedures, data analysis and presentation. The chapter was also be divided into; research design, target population, sample size and selection procedures, data collection and data analysis.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

The purpose of this study was to find out the the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county, Kenya. This chapter therefore presents results and discussions of the study from the data collected through the questionnaires in which the researcher sorted views and opinions on the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county, Kenya. The chapter is divided into five sections that include the response rate, the general information of the respondents; the descriptive statistics of the variables under investigation; and the diagnostic analysis and the inferential statistical analysis of the data collected.

4.2 Response Rate

The study had sought to establish the participation of the study, the response rate and the response per category of the respondents. The following were the responses.

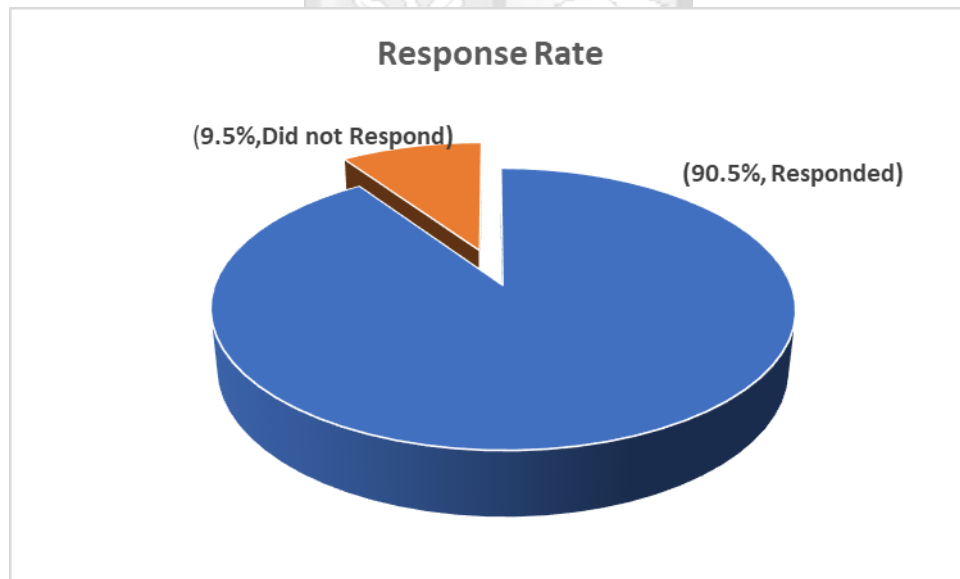


Figure 4.1 Response Rate

The study established that there was 90.5% response from the sampled 105 respondents drawn from five-star hotels in Nairobi city county. The response rate of 90.5% was considered very

adequate. Arora, (2003), stated that a questionnaire-based study that produces above 65% response, is rated as a well participated study.

Table 4.2 Hotels covered by the study

Category	N	Percentage
Sarova Stanley Hotel	11	11.6
Sankara Nairobi	13	13.7
Crowne Plaza Nairobi	13	13.7
Nairobi Serena Hotel	11	11.6
Villa Rosa Kempinski	15	15.8
Sovereign Suites	10	10.5
Radison Blu (Upper Hill)	11	11.6
Movenpick Residence Hotel	11	11.6
Total	95	100.0

Source: Researcher (2024)

The study established that 11.6% respondents were from Sarova Stanley Hotel, Nairobi Serena Hotel, Radison Blu (Upper Hill) and Movenpick Residence Hotel, 13.7% were from Sankara Nairobi and Crowne Plaza Nairobi hotels while 15.8% were from Villa Rosa Kempinski. The results also indicated that 10.5% were from Sovereign Suites. The results indicated that the most respondents were drawn from Sarova Stanley Hotel, Nairobi Serena Hotel, Radison Blu (Upper Hill) and Movenpick Residence Hotel.

4.3 Demographic Information of The Respondents

The study had sought to establish the demographic information of the respondents. Demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes. The general information was crucial in ensuring that the study included the respondents intended for the study; their gender age, education level and how long they had worked in the five start hotels and therefore understood the effect of service design approaches on the operational performance of five-star hotels. The response is shown in table 4.1 below.

Table 4.2: Demographic Information

Category	N (%)
Gender of the Respondents	
Male	51(53.7)
Female	44(46.3)
Total	95(100.0)
Education Level	
Secondary Certificate	0 (0.0)
College Certificate	34 (35.8)
University Graduate	40(55.8)
Post graduate	8(8.4)
Total	95(100.0)
Duration that the respondents had been farming	
20-29 years	20(21.1)
30-39 years	15(15.8)
40-49 years	35(36.8)
50 years and above	25(26.3)
Total	95(100.0)
Department of the Respondents	
Operations	29(30.5)
Marketing Managers	32(33.7)
F&B Departments	34(35.8)
Total	95(100.0)

Source: Researcher (2024)

The findings of the study indicated that all of the respondents who were sampled for the study participated in the study, where 53.7% of them were male while 46.3% were female. This indicated that the study was not gender representative although from the findings the study it can be concluded that there are more male staff in the five-star hotels in Nairobi. On the other hand, the findings of the study also indicated that there were 21.1% respondents that were 20-29 years old, 15.8% were 30-39 years old while 36.8% of the respondents were 40-49 years old 26.3% were 50 years and above. This indicated that, most of the respondents were between 40-49 years old.

The findings of the study also indicated that none of the respondents had a secondary education certificate or its equivalent, 35.8% had a college certificate, 55.8% of the respondents had attained an Undergraduate Degree, while another 8.4% of the respondents had attained a Post Graduate degree in hospitality and other related management areas. The study also indicated that none of the respondents covered by the study did not have any college education or training in hospitality and other related areas. This indicated that most of the respondents had the required knowledge on the issues under investigation and therefore the answers provided were reliable. The study also

established 30.5% of the respondents were from Operations, 33.7% Marketing Managers and 35.8% were from F&B Departments in the sampled five-star hotels in the Nairobi County. These findings indicated that the staff were gender distributed, they had worked in the hotels long enough and therefore understood the services design approaches that were being investigated by the study and that they had adequate knowledge and understanding on the services design approaches and their impact on the organization operational performance.

4.4 Descriptive Statistical Analysis

Descriptive statistics is a summary statistic that quantitatively describes or summarizes features of a collection of information (Mann, 1995). Descriptive statistics is distinguished from inferential statistics or inductive statistics, in that descriptive statistics aims to summarize a sample, rather than use the data to learn about the population that the sample of data is thought to represent. This generally means that descriptive statistics, unlike inferential statistics, is not developed on the basis of probability theory, and are frequently nonparametric statistics (Trochim, 2006).

This study utilized a 5-point likert scale (where 1= Strongly Disagree and 5= Strongly Agree) to analyze the primary data collected. The data analysis generated means and standard deviations from data collected from the respondents. The interpretation of the mean was that 1-1.8 represents strongly disagree, 1.9-2.6 represents disagree, 2.7-3.4 was interpreted as somehow agree, 3.5-4.2 was agree and finally 4.3-5 was strongly agree (Wandili, 2022).

Table 4.3: Effect of tangibility on Operation Performance

Tangibility	N	Mean	Std. Deviation
Tangibility affects the operations performance in five-star hotels	95	4.58	.678
The more the hotel invests in its tangible services is able to achieve the desired performance	95	4.42	.941
The hotel continues to invest in tangible services	95	4.42	.941
The hotel has been successful in improving tangible services	95	3.74	1.023
The hotel considers tangibility as an effective strategy in enhancing operation performance	95	4.68	.926
Average	95	4.368	0.9018

Source: Researcher (2024)

The results indicated that there was agreement that tangibility affects the operations performance in five-star hotels based on the mean of 4.58 and standard deviation of .678. The results showed that the more the hotel invests in its tangible services the more its is able to achieve the desired

performance, the Mean was 4.42, with a Standard Deviation of .941. The results also shows that strong agreement that the hotel continues to invest in tangible services (Mean= 4.42, Standard Deviation= .941). The study also indicated a agreement that the hotel has been successful in improving tangible services registering (Mean= 3.74, Standard Deviation= 1.023) and that that the hotels consider tangibility as an effective strategy in enhancing operation performance registering a mean of 4.68 and a Standard Deviation of .926. The average mean of (4.368, Standard Deviation= 0.9018) indicated that tangibility as a service design approach had an affects on the operations performance in five-star hotels.

This indicated that tangibility is critical in achieving the desired operations performance in five-star hotels and that the more these hotels invest in its tangible services the more they are able to achieve the desired performance explaining why the hotel have continued to invest in tangible services. The increased investment in tangibility which has seen the hotel being successful in improving tangible services even as the five-star hotels consider tangibility as an effective strategy in enhancing operation performance.

Table 4.4: Effect of Responsiveness on Operation Performance

Responsiveness	N	Mean	Std. Deviation
The hotel must improve its responsiveness in order to achieve the desired operations performance	95	4.21	.955
The more the hotel enhances its responsiveness to services the more it is able to achieve the desired performance	95	4.47	1.100
The hotel continues to invest in technology to enhance its responsive to customer needs	95	4.42	.941
The hotel has been successful in improving responsiveness to customer needs	95	3.79	1.110
The hotel considers responsiveness as an effective strategy in enhancing operation performance	95	3.79	1.110
Average	95	4.136	1.0432

Source: Researcher (2024)

The results indicated that there was agreement that the hotel must improve its responsiveness in order to achieve the desired operations performance based on the mean of 4.21 and standard deviation of .955. The results showed that the more the hotel enhances its responsiveness to services the more it is able to achieve the desired performance, the Mean was 4.47, with a Standard Deviation of 1.100. The results also show a strong agreement that the hotel continues to invest in

technology to enhance its responsive to customer needs (Mean= 4.42, Standard Deviation= .941). The study also indicated an agreement that the hotel has been successful in improving responsiveness to customer needs (Mean= 3.79, Standard Deviation= 1.110) and that that the hotel considers responsiveness as an effective strategy in enhancing operation performance registering a mean of 3.79 and a Standard Deviation of 1.110. The average mean of (4.136, Standard Deviation= 1.0432) indicated that responsiveness as a service design approach had an effects on the operations performance in five-star hotels.

This result indicates that the hotels need to improve its responsiveness in order to achieve the desired operations performance given that the more the five-star hotels enhance its responsiveness to services the more the five-star hotels are able to achieve the desired performance and that the five-star hotels continue to invest in technology to enhance its responsive to customer needs. The results also indicated that the five-star hotels have been successful in improving responsiveness to customer needs and that the hotel considers responsiveness as an effective strategy in enhancing operation performance.

Table 4.5: Effect of Service Sequencing on Operation Performance

Service Sequencing	N	Mean	Std. Deviation
The five hotels can achieve a lot in their operations performance if they can enhance their service sequencing.	95	4.11	1.259
The more the hotel enhances its service sequencing, the more it is able to achieve the desired performance	95	3.42	1.048
The hotel continues to enhance its service sequencing every day in order to retain its customers	95	4.05	1.241
The hotel has been successful in improving service sequencing	95	4.00	1.130
The hotel considers service sequencing as an effective strategy in enhancing operation performance	95	3.79	.955
	95	3.874	1.1266

Source: Researcher (2024)

The results indicated that there was agreement that the five hotels can achieve a lot in their operations performance if they can enhance their service sequencing based on the mean of 4.11 and standard deviation of 1.259. The results showed that there was somehow agreement that the more the hotel enhances its service sequencing, the more it is able to achieve the desired

performance where the Mean was 3.42, with a Standard Deviation of 1.100. The results also show a strong agreement that the hotel continues to enhance its service sequencing every day in order to retain its customers (Mean= 4.05, Standard Deviation= 1.241). The study also indicated an agreement that the hotel has been successful in improving service sequencing (Mean= 4.00, Standard Deviation= 1.130) and that the hotel considers service sequencing as an effective strategy in enhancing operation performance that registered a mean of 3.79 and a Standard Deviation of .955. The average mean of (3.874, Standard Deviation= 1.1266) indicated that service sequencing as a service design approach had an effects on the operations performance in five-star hotels although this area required a little improvement compared to responsiveness and tangibility.

This indicates that the five-star hotels are able to achieve a lot in their operations performance if they can enhance their service sequencing and that the more the hotel enhances its service sequencing, the more it is able to achieve the desired performance. The hotels have continued to enhance its service sequencing every day in order to retain its customers and the five-star hotels has been successful in improving service sequencing. Additionally, the five-star hotels have considering service sequencing as an effective strategy in enhancing operation performance.

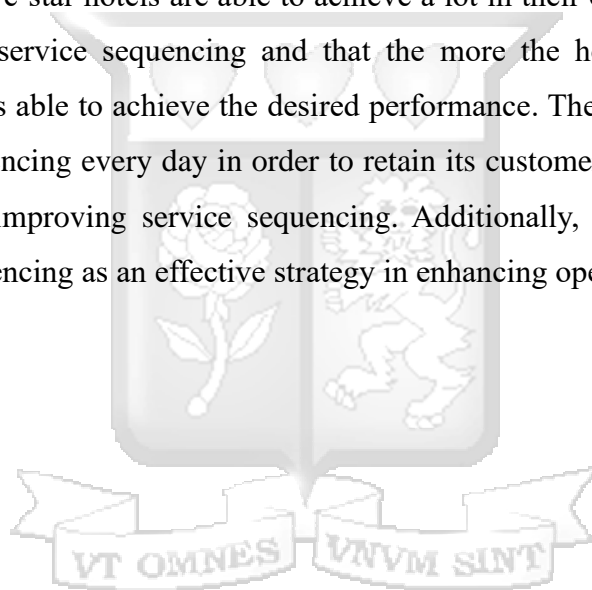


Table 4.6: Effect of Service Evidencing on Operation Performance

Service Evidencing	N	Mean	Std. Deviation
Ineffective service evidencing has been the main challenge to operations performance.	95	3.89	1.300
The more the hotel enhances its service evidencing, the more it is able to achieve the desired performance	95	3.58	1.234

The hotel continues to enhance its service evidencing every day in order to retain its customers	95	3.42	.882
The hotel has been successful in improving service evidencing	95	2.68	.866
The hotel considers service evidencing as an effective strategy in enhancing operation performance	95	3.26	1.453
Average	95	3.366	1.147

Source: Researcher (2024)

The results indicated that there was agreement that ineffective service evidencing has been the main challenge to operations performance based on the mean of 3.89 and standard deviation of 1.300. The results showed that there was somehow agreement the more the hotel enhances its service evidencing, the more it is able to achieve the desired performance where the Mean was 3.58, with a Standard Deviation of 1.234. The results also showed somehow agreement that the hotel continues to enhance its service evidencing every day in order to retain its customers (Mean= 3.42, Standard Deviation= .882). The study also indicated a disagreement that the hotel has been successful in improving service evidencing (Mean= 2.68, Standard Deviation= .866) and that there was a somehow agreement that the hotel considers service evidencing as an effective strategy in enhancing operation performance that registered a mean of 3.26 and a Standard Deviation of 1.453. The average mean of (3.366, Standard Deviation= 1.147) indicated that service sequencing as a service design approach had an effects on the operations performance in five-star hotels although, just service evidencing this area required a more improvement in order for the hotels to achieve their optimum organization operational performance targets. .

These results indicated that ineffective service evidencing has been the main challenge to operations performance and that the five-star hotel enhances its service evidencing, the more it is able to achieve the desired performance and that the hotel continues to enhance its service evidencing every day in order to retain its customers. The five-star hotels have also not been successful in improving service evidencing and that the five-star hotels consider service evidencing as an effective strategy in enhancing operation performance.

Table 4.7: Operation Performance

Performance	N	Mean	Std. Deviation
-------------	---	------	----------------

The hotel has enhanced its operations through service design approaches.	95	3.68	1.132
The hotel has enhanced its service deliver through service design approaches	95	3.89	.916
The hotel has improved its customer service average response time through various service design approaches	95	4.21	1.202
The hotel has reduced its service waiting time through service design approaches.	95	2.84	1.142
	95	2.924	0.8784

Source: Researcher (2024)

The results indicated that there was agreement that the hotel has enhanced its operations through service design approaches based on the mean of 3.68 and standard deviation of 1.132. The results showed that the hotel has enhanced its service deliver through service design approaches where the Mean was 3.89, with a Standard Deviation of .916. The results also showed a strong agreement that the hotel has improved its customer service average response time through various service design approaches (Mean= 4.21, Standard Deviation= 1.202). The study also indicated somehow agreement that the hotel has reduced its service waiting time through service design approaches (Mean= 2.84, Standard Deviation= 1.142).

These results indicated that the five-star hotels have enhanced its operations through service design approaches, the hotel has enhanced its service deliver through service design approaches and that the five-star hotels have improved its customer service average response time through various service design approaches. The five-star hotels have reduced their service waiting time through service design approaches. The average mean of (3.366, Standard Deviation= 1.147) indicated that the hotels were not well performing and that the hotels needed to improve various aspects in order to realize optimum organization operational performance.

4.5 Diagnostic Analysis

The study also carried out a diagnostic test before carrying out the regression tests. This was conducted to ensure that the model assumptions are met. The study utilized the collinearity tests as described below.

4.5.1 Collinearity Test

The study used Variance Inflation Factors (VIF) to ensure that there is no linear relationship between predictor variables in this study. A VIF value that is equal to 1 indicates lack of correlation among predictor variables while a value that is more than 5 indicates a high correlation among predictor variables (Frost, 2020).

Table 4.8 Collinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1		
Tangibility	.187	3.585
Responsiveness	.281	3.971
Service Sequencing	.367	2.933
Service Evidencing	.392	2.814

Source: Researcher (2024)

From Table 4.9 above, tangibility, responsiveness, service sequencing and service evidencing have a VIF of 3.585, 3.971, 2.933 and 2.814 respectively. This implies that there is no correlation among the independent variables hence the data could be subjected to regression analysis. Additionally, the estimated regression coefficient indicated by all the variables that are less than 5 are not inflated due to collinearity.

4.6 Inferential Analysis

Inferential statistical analysis helped in testing hypothesis and deriving estimates. The study assumed that the observed data set was sampled from the study population. Inferential statistics was used as a parametric statistical test that helped in making assumptions about the population parameters and the distributions that the data came from. The method used included correlation analysis and regression analysis that included (Analysis of Variance (ANOVA), Model Summary and Regression Coefficient) (Kimeu, 2018).

The study carried out correlation analysis which is a statistical method used to measure the strength of the linear relationship between two variables and compute their association (Senthilnathan, 2019). The correlation analysis helped in the calculation of the level of change in Dependent Variable; the operational performance of five-star hotels in Nairobi city county Kenya due to the

change in Independent Variable; and service design approaches factors (tangibility, responsiveness, service sequencing and service evidencing).

Additionally, the study conducted regression analysis which is a statistical method that shows the relationship between two or more variables. Regression analysis is a method that helps in testing the relationship between a dependent variable against independent variables. As the independent variable(s) changes influence changes in the dependent variable(s) and the regression analysis attempts to answer which factors matter most to that change (Sarstedt and Mooi, 2014). The results on the Linear Regression Analysis and the correlation analysis were as follows:

Table 4.9: Effect of tangibility on Operation Performance

Correlation Analysis						
		Operational Performance				
Tangibility		Pearson Correlation			.884**	
		Sig. (2-tailed)			.000	
		N			95	
Regression Analysis						
Model Summary						
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		.884 ^a	.781	.779	.38195	
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.439	1	48.439	332.031	.000 ^b
	Residual	13.568	93	.146		
	Total	62.007	94			
a. Dependent Variable: Operation Performance						
b. Predictors: (Constant), Tangibility						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.547	.234		2.335	.022
	Tangibility	.951	.052	.884	18.222	.000

Source: Researcher (2024)

The results of the correlation analysis indicate a strong and positive relationship between tangibility and the operational performance of five-star hotels in Nairobi city county ($r=.884$); tangibility was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($\text{Sig}=.000<.05$). This indicated that the operational performance of

five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service tangibility.

The regression results indicated that the coefficient determinant (R Squared) of .781 implies that 78.1% of the changes in operational performance of five-star hotels in Nairobi city county are explained by tangibility. The other 21.9% is attributed to other factors not included in the study other than tangibility factors.

The study also utilized Analysis of Variance (ANOVA) test to assess whether the regression model is statistically significant. The output from the ANOVA test indicates a p-value which is less than 0.05 (Sig= .000< .05) which shows that the model above is statistically significant in explaining the relationship between the service tangibility factors and operational performance of five-star hotels in Nairobi city county in this study. The (F=332.031; 1, 94) also showed that the model was statistically fit to measure the relationship between service tangibility factors and the operational performance of five-star hotels in Nairobi city county, Kenya.

The resulting regression equation from the coefficients in Table 4.10 above is:

$$Y = .547 + .884X_1$$

The above equation can be interpreted as follows:

A unit change of .884 in service tangibility will result in a unit change in the operational performance of five-star hotels in Nairobi city county, Kenya. The findings also indicate that the regression model ($\beta = .547$) is statistically significant (sig=.000< .05). Further, the findings show that service tangibility (Sig= .000< .05) is statistically significant.

Table 4.10: Effect of responsiveness on Operation Performance

Correlations Analysis		
Variable	Operational Performance	
Responsiveness	Pearson Correlation	.895**
	Sig. (2-tailed)	.000
	N	95
Regression Analysis		

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.895 ^a	.801	.799	.36432		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.662	1	49.662	374.155	.000 ^b
	Residual	12.344	93	.133		
	Total	62.007	94			
a. Dependent Variable: Operation Performance						
b. Predictors: (Constant), Responsiveness						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.407	.172		2.364	.020
	Responsiveness	.786	.041	.895	19.343	.000

Source: Researcher (2024)

The correlation analysis indicates a strong and positive relationship between responsiveness and the operational performance of five-star hotels in Nairobi city county ($r=.895$); responsiveness was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($Sig= .000<.05$). This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service responsiveness.

The coefficient determinant (R Squared) of .801 implies that 80.1% of the changes in operational performance of five-star hotels in Nairobi city county are explained by responsiveness. The other 21.9% is attributed to other factors not included in the study other than responsiveness factors.

The study also utilized Analysis of Variance (ANOVA) test to assess whether the regression model is statistically significant. The output from the ANOVA test indicates a p-value which is less than 0.05 ($Sig= .000< .05$) which shows that the model above is statistically significant in explaining the relationship between the responsiveness factors and operational performance of five-star hotels in Nairobi city county in this study. The ($F=374.155; 1, 94$) also showed that the model was

statistically fit to measure the relationship between responsiveness factors and the operational performance of five-star hotels in Nairobi city county, Kenya.

The resulting regression equation from the coefficients in Table 4.11 above is:

$$Y = .407 + .895X_1$$

The above equation can be interpreted as follows:

A unit change of .895 in responsiveness will result in a unit change in the operational performance of five-star hotels in Nairobi city county, Kenya. The findings also indicate that the regression model ($\beta = .407$) is statistically significant ($\text{sig} = .000 < .05$). Further, the findings show that responsiveness ($\text{Sig} = .000 < .05$) is statistically significant

Table 4.11: Effect of service sequencing on Operation Performance

Correlations						
Variable		Operational Performance				
Service Sequencing		Pearson Correlation			.903**	
		Sig. (2-tailed)			.000	
		N			95	
Regression Analysis						
Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.903 ^a	.815	.813	.35148		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.517	1	50.517	408.917	.000 ^b
	Residual	11.489	93	.124		
	Total	62.007	94			
a. Dependent Variable: Operation Performance						
b. Predictors: (Constant), Service Sequencing						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.619	.155		4.005	.000
	Service Sequencing	.784	.039	.903	20.222	.000

Source: Researcher (2024)

The findings of the correlation analysis indicate a strong and positive relationship between Service Sequencing and the operational performance of five-star hotels in Nairobi city county ($r = .903$);

Service Sequencing was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county (Sig= .000<.05). This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service sequencing.

The coefficient determinant (R Squared) of .815 implies that 81.5% of the changes in operational performance of five-star hotels in Nairobi city county are explained by Service Sequencing. The other 18.5% is attributed to other factors not included in the study other than Service Sequencing factors.

The study also utilized Analysis of Variance (ANOVA) test to assess whether the regression model is statistically significant. The output from the ANOVA test indicates a p-value which is less than 0.05 (Sig= .000< .05) which shows that the model above is statistically significant in explaining the relationship between the Service Sequencing factors and operational performance of five-star hotels in Nairobi city county in this study. The (F=408.917; 1, 94) also showed that the model was statistically fit to measure the relationship between Service Sequencing factors and the operational performance of five-star hotels in Nairobi city county, Kenya.

The resulting regression equation from the coefficients in Table 4.12 above is:

$$Y = .619 + .903X_1$$

The above equation can be interpreted as follows:

A unit change of .903 in Service Sequencing will result in a unit change in the operational performance of five-star hotels in Nairobi city county, Kenya. The findings also indicate that the regression model ($\beta = .619$) is statistically significant (sig=.000< .05). Further, the findings show that Service Sequencing (Sig= .000< .05) is statistically significant.

Table 4.12: Effect of service evidencing on Operation Performance

Correlations		
Variable	Operational Performance	
	Pearson Correlation	.842**

Service evidencing		Sig. (2-tailed)		.000		
		N		95		
Regression Analysis						
Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.842 ^a	.709	.706	.44052		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.960	1	43.960	226.532	.000 ^b
	Residual	18.047	93	.194		
	Total	62.007	94			
a. Dependent Variable: Operation Performance						
b. Predictors: (Constant), Services Evidencing						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.199	.169		7.075	.000
	Service evidencing	.730	.048	.842	15.051	.000

Source: Researcher (2024)

The correlation analysis results indicate a strong and positive relationship between service evidencing and the operational performance of five-star hotels in Nairobi city county ($r=.842$); service evidencing was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($\text{Sig}=.000<.05$). This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service evidencing.

The coefficient determinant (R Squared) of .709 implies that 70.9% of the changes in operational performance of five-star hotels in Nairobi city county are explained by Service evidencing factors. The other 29.1% is attributed to other factors not included in the study other than Service evidencing factors.

The study also utilized Analysis of Variance (ANOVA) test to assess whether the regression model is statistically significant. The output from the ANOVA test indicates a p-value which is less than 0.05 ($\text{Sig}=.000<.05$) which shows that the model above is statistically significant in explaining the relationship between the Service evidencing factors and operational performance of five-star

hotels in Nairobi city county in this study. The ($F=226.532$; 1, 93) also showed that the model was statistically fit to measure the relationship between service evidencing factors and the operational performance of five-star hotels in Nairobi city county, Kenya.

The resulting regression equation from the coefficients in Table 4.13 above is:

$$Y = 1.199 + .842X_1$$

The above equation can be interpreted as follows:

A unit change of .842 in service evidencing will result in a unit change in the operational performance of five-star hotels in Nairobi city county, Kenya. The findings also indicate that the regression model ($\beta = 1.199$) is statistically significant ($\text{sig} = .000 < .05$). Further, the findings show that service evidencing ($\text{Sig} = .000 < .05$) is statistically significant.

Table 4.13: Effect of service design approaches on Operation Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.934 ^a	.872	.866	.29682		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.077	4	13.519	153.445	.000 ^b
	Residual	7.929	90	.088		
	Total	62.007	94			
a. Dependent Variable: PERFORMANCE						
b. Predictors: (Constant), EVIDENCE, TANGIBILITY, SEQUENCING, RESPONSIVENESS						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.066	.202		.325	.046
	Tangibility	.357	.112	.332	3.189	.002
	Responsiveness	.170	.137	.194	1.245	.016
	Service Sequencing	.130	.131	.149	.993	.024
	Service Evidencing	.279	.061	.322	4.586	.002

Source: Researcher (2024)

The coefficient determinant (R Squared) of .872 implies that 87.2% of the changes in operational performance of five-star hotels in Nairobi city county are explained by service design approaches factors. The other 12.8% is attributed to other factors not included in the study other than service

design approaches factors (tangibility, responsiveness, service sequencing and service evidencing).

The study also utilized Analysis of Variance (ANOVA) test to assess whether the regression model is statistically significant. The output from the ANOVA test indicates a p-value which is less than 0.05 (Sig= .000< .05) which shows that the model above is statistically significant in explaining the relationship between the service design approaches factors and operational performance of five-star hotels in Nairobi city county in this study. The (F=153.445; 4, 90) also showed that the model was statistically fit to measure the relationship between than service design approaches factors (tangibility, responsiveness, service sequencing and service evidencing) and the operational performance of five-star hotels in Nairobi city county, Kenya.

The resulting regression equation from the coefficients in Table 4.14 above is:

$$Y = .066 + .332X_1 + .194X_2 + .121X_3 + .322X_4$$

The above equation can be interpreted as follows:

A unit change of .332 in Tangibility, .194 in Responsiveness, .121 in service sequencing and .322 in service evidencing will result in a unit change in operational performance of five-star hotels in Nairobi city county, Kenya. The findings also indicate that the regression model ($\beta = .066$) is statistically significant (sig=.000< .05). Further, the findings show that operational performance of five-star hotels in Nairobi city county, Kenya (Sig= .000< .05) is statistically significant.

4.7 Chapter Summery

This chapter includes the general information of the respondents, the descriptive statistics, Collinearity Test and the inferential statistics that included the correlation analysis and the multilinear regression analysis.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter contains the summary of findings obtained from other respondents, conclusions made and recommendations containing the topic of the study. The researcher evaluates the findings and gives recommendations necessary. In conclusion the study contains the findings,

recommendations and suggestions for future studies on the the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county Kenya.

5.2 Summary of Findings

The findings of the study indicated that all the services design factors of tangibility, responsiveness, service sequencing and service evidencing have a significant effect on the organization operational performance of five-star hotels in Nairobi city county, Kenya. The results indicated that 87.2% of the changes in operational performance of five-star hotels in Nairobi city county are explained by service design approaches factors (tangibility, responsiveness, service sequencing and service evidencing). (X1: $\beta_1 = .332, P < .05$), (X2: $\beta_2 = .194, P < .05$), (X3: $\beta_3 = .121, P < .05$), and (X4: $\beta_4 = .322, P < .05$) have a significant effect on operational performance of five-star hotels in Nairobi city county, Kenya. The study also established that a unit change of .332 in Tangibility, .194 in Responsiveness, .121 in service sequencing and .322 in service evidencing will result in a unit change in operational performance of five-star hotels in Nairobi city county, Kenya. The findings also indicate that the regression model ($\beta = .066$) is statistically significant ($\text{Sig} = .000 < .05$). Further, the findings show that operational performance of five-star hotels in Nairobi city county, Kenya ($\text{Sig} = .000 < .05$) is statistically significant.

5.3 Discussions

5.3.1 The effect of tangibility on the operational performance of five-star hotels in Kenya.

The first objective was to determine the tangibility on the operational performance of five-star hotels in Kenya. The study established a strong and positive relationship between tangibility and the operational performance of five-star hotels in Nairobi city county ($r = .884$); tangibility was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($\text{Sig} = .000 < .05$). The findings support results by Edike and Uduak (2020) that tangibility have a positive and significant impact on hotel customer satisfaction. This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service tangibility. The study also established that 78.1% of the changes in operational performance of five-star hotels in Nairobi city county are explained by tangibility.

Tangibility plays a significant role in service quality in hotel industry that faces a lot of competition. These qualities include the visible and physical aspects of a service that can be

observed and felt by customers. When tangibles factors such as the appearance of facilities, equipment, and the physical environment are not present the services cannot be termed as quality. The study highlights the importance of tangibility and stressing that it is critical in achieving the desired operations performance in five-star hotels and that the more these hotels invest in its tangible services the more they are able to achieve the desired performance explaining why the hotel have continued to invest in tangible services. The results support findings by Kim (2016) that tangible attributes, such as room quality, cleanliness, and appearance, significantly influenced client satisfaction and loyalty in the hotel sector and another study by Marić et al (2016) tangible and intangible element are significant component of service quality in the hotel industry. There has also been increased investment in tangibility which has seen the hotel being successful in improving tangible services even as the five-star hotels consider tangibility as an effective strategy in enhancing operation performance. This supports another study by Wong and Sohal (2002) that used SERVQUAL and established that tangibility factors such as layout, design, and ambiance, had a direct impact on customer perceptions and behavioral intentions, thereby highlighting the importance of the tangibility in achieving organization performance.

5.3.2 The effect of responsiveness on the operational performance of five-star hotels in Kenya.

The second objective was to determine the responsiveness on the operational performance of five-star hotels in Kenya. The study established a strong and positive relationship between responsiveness and the operational performance of five-star hotels in Nairobi city county ($r=.895$); responsiveness was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($\text{Sig} = .000 < .05$). This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service responsiveness. The findings support a study by Muthoni (2019) that established a positive association between responsiveness and operational performance another finding by Ali et al (2021) that established that responsiveness was among the four of service quality dimensions that had a positive relation with client's satisfaction. The study also established that 80.1% of the changes in operational performance of five-star hotels in Nairobi city county are explained by responsiveness.

As competition increase in the service sector, it is important that the players maintain high customer responsiveness to succeed in today's competitive marketplace. Any hotels success

depends largely on its ability to build strong relationships with its customers, meet their expectations for quality service, and keep them satisfied with its products or services. The hotels need to improve its responsiveness in order to achieve the desired operations performance given that the more the five-star hotels enhance its responsiveness to services the more the five-star hotels are able to achieve the desired performance and that the five-star hotels continue to invest in technology to enhance its responsive to customer needs. The five-star hotels have been successful in improving responsiveness to customer needs and that the hotel considers responsiveness as an effective strategy in enhancing operation performance. This supports findings by Mhlanga (2018) that in order to improve responsiveness the hotels need to adapt digital booking, check-in and check-out mobile services and also the findings of another study by Singh and Devi (2016) that employed resources-based theory and established that when a hotel fails to be responsive, it can result in a negative perception, leading to customer dissatisfaction, and ultimately, loss of business.

5.3.3 The effect of service sequencing on the operational performance of five-star hotels in Kenya.

The third objective was to determine the service sequencing on the operational performance of five-star hotels in Kenya. The study established a strong and positive relationship between service sequencing and the operational performance of five-star hotels in Nairobi city county ($r=.903$); service sequencing was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($\text{Sig}=.000<.05$). This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service sequencing. The results support findings by Choi and Chu (2015) that highlighted the importance of well-designed service sequences in minimizing customer dissatisfaction, service failures, and operational bottlenecks and Chang (2018) that emphasized the need for enhancing service sequencing in order to achieve the desired tourist attraction.

Steps of service are a set of guidelines or instructions that outline the sequence of actions servers should take to provide a consistent guest experience. They typically cover everything from the initial greeting and seating to taking orders, serving food and drinks, and handling payment and feedback. The five-star hotels are able to achieve a lot in their operations performance if they can

enhance their service sequencing and that the more the hotel enhances its service sequencing, the more it is able to achieve the desired performance. The hotels have continued to enhance its service sequencing every day in order to retain its customers and the five-star hotels has been successful in improving service sequencing. Additionally, the five-star hotels have considering service sequencing as an effective strategy in enhancing operation performance. The significance of service sequencing was emphasized by Hussen (2017) that established that service sequencing are positively correlated and indicated a strong correlation with client's retention. The study findings are consistent with results from a study by Kiptoo et al (2020) who explored the relationship between service sequencing and operational performance in hotels in Kenya through Parasuraman's Model and established that waiting time as a component of services sequencing had a significant effect on the organization performance and that improved guest waiting times, enhanced staff productivity, and increased customer satisfaction scores.

5.3.4 The effect of service evidencing on the operational performance of five-star hotels in Kenya.

The fourth objective was to determine the service evidencing on the operational performance of five-star hotels in Kenya. The study established a strong and positive relationship between service evidencing and the operational performance of five-star hotels in Nairobi city county ($r=.842$); service evidencing was also found to have significant effect on the operational performance of five-star hotels in Nairobi city county ($\text{Sig}=.000<.05$). These results support the results by Zhang (2019) service evidencing significantly influenced client's perceptions of service quality and loyalty intentions in hotels and Otieno (2017) that also revealed a significant positive association between service evidencing and operational performance among hotels in Kenya. This indicated that the operational performance of five-star hotels can be enhanced if the hotels five-star hotels in Nairobi city county improves its service evidencing.

The results as consistent with the findings by Johns and Tyas (2016) that highlighted the importance of service evidencing in influencing customer trust, satisfaction, and overall operational performance. The study results are also consistent with the findings by Mukhles (2017) who through the application of the SERVQUAL model that included different quality components that included empathy, reliability, assurance, responsiveness and tangibility established that many

benefits can be achieved by service quality approaches such service evidencing and providing a competitive advantage to a business.

Additionally, ineffective service evidencing has been the main challenge to operations performance and that the five-star hotel enhances its service evidencing, the more it is able to achieve the desired performance and that the hotel continues to enhance its service evidencing every day in order to retain its customers. The five-star hotels have also not been successful in improving service evidencing and that the five-star hotels consider service evidencing as an effective strategy in enhancing operation performance.

5.4 Conclusion

5.4.1 Tangibility

The study had sought to establish whether tangibility affected organization operation performance of the five-star hotel in Nairobi. The results indicated that tangibility is critical in achieving the desired operations performance in five-star hotels and that the more these hotels invest in its tangible services the more they are able to achieve the desired performance explaining why the hotel have continued to invest in tangible services. Additionally, there has also been increased investment in tangibility which has seen the hotel being successful in improving tangible services even as the five-star hotels consider tangibility as an effective strategy in enhancing operation performance.

5.4.2 Responsiveness

Secondly, the study had sought to establish whether responsiveness affected organization operation performance of the five-star hotel in Nairobi. The findings indicated that services the more the five-star hotels are able to achieve the desired performance and that the five-star hotels continue to invest in technology to enhance its responsive to customer needs. The five-star hotels have been successful in improving responsiveness to customer needs and that the hotel considers responsiveness as an effective strategy in enhancing operation performance and that the hotels need to adapt digital booking, check-in and check-out mobile services.

5.4.3 Service Sequencing

Thirdly, the study had sought to establish whether service sequencing affected organization operation performance of the five-star hotel in Nairobi. The five-star hotels are able to achieve a lot in their operations performance if they can enhance their service sequencing and that the more the hotel enhances its service sequencing, the more it is able to achieve the desired performance. The hotels have continued to enhance its service sequencing every day in order to retain its customers and the five-star hotels has been successful in improving service sequencing. Additionally, the five-star hotels have considering service sequencing as an effective strategy in enhancing operation performance.

5.4.4 Service evidencing

Lastly, the study had sought to establish whether service evidencing affected organization operation performance of the five-star hotel in Nairobi. Ineffective service evidencing has been the main challenge to operations performance and that the five-star hotel enhances its service evidencing, the more it is able to achieve the desired performance and that the hotel continues to enhance its service evidencing every day in order to retain its customers. The five-star hotels have also not been successful in improving service evidencing and that the five-star hotels consider service evidencing as an effective strategy in enhancing operation performance

5.5 Implications of Research

Different stakeholders can derive the findings of the study to exercise judgments differently depending on their need. The study findings have implications on management, knowledge and policy makers. The recommendations of the study are therefore provided in terms of Theoretical, Managerial and Policy implications.

5.5.1 Contribution to Policy Making

In terms policy implications, there is need for the Ministry of Tourism and the hospitality sector players need to develop effective policies that emphasize on training program on tangibility, responsiveness, service sequencing and service evidencing in the five-star hotel. Additionally, there is need for the Government through the Ministry of Ministry of Tourism should also develop policies that will ensure quality assurance is maintained. Last but not least, there is need for the Government to allocate enough budget to train the Ministry officers and other industry players on standardization of services in the hotel sector to ensure that the hotels ensure quality services.

5.5.2 Management Contribution

In relation to Managerial recommendations, the management of five-star and various department heads need to evaluate how the five-star hotels that include service design approaches factors that include tangibility, responsiveness, service sequencing and service evidencing can be employed in order to achieve operational performance. Additionally, the management of five-star and various department heads need to enhance tangibility, responsiveness, service sequencing and service evidencing in their facilities in order to achieve the desired performance.

5.5.3 Contribution to Knowledge

In terms of Theoretical implications, the study posits that there is need for the organizations to critically apply the Parasuraman's Model in measuring the degree of satisfaction of users by analysing their expectations and perceptions of organization services across five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. The model helped in the identification of gaps or shortcomings between user expectations and the service offered, which can hinder the perception of quality in service provision. There is need for the application of Parasuraman's Model in measuring the effectiveness in organization operations performance of the five-star hotels by analysing their expectations and perceptions of organization services across four dimensions that includes tangibility, reliability, responsiveness, assurance, and empathy

There is also need to consider Resource-Based Theory which was founded on the application of various readily available resources in the organization. The firms should invest in strategic resources possession and change management practices to gain their capabilities and service design approaches that includes tangibility, responsiveness, service sequencing and service evidencing can be enhanced as an internal resource, these resources can therefore be used to improve the operation performance of the five-star hotels in Nairobi, Kenya.

5.6 Study limitations and suggestions for further studies

The study was limited to the effect of service design approaches on the organization operational performance of five-star hotels in Nairobi city county, Kenya and did not cover other factors other than the four service design approaches that may influence the organization operational performance of five-star hotels in Nairobi city county Kenya. The future study should include other factors that may influence the organization operational performance of five-star hotels in Nairobi city county Kenya.

The study covered only four aspects of quality of university factors (Service delivery, Customer service average response time and Service wait time) and may not represent the total reflection of organization operational performance of five-star hotels in Nairobi city county Kenya. On the other hand, the study only focused on key respondents from three units (three departments in common; Operations, Marketing Managers and F&B Departments) and therefore the findings may not be as exhaustive enough as required, future studies should focus on a wider range of respondents for more compressive findings.

5.7 Suggestion for further studies

There is need for a study on the the effect of service design approaches on the operational performance of four-star hotels and below in order to support the overall growth of the sector. There is also need of establishing the customer services strategies on operational performance in the five-star hotels.

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APPENDICES

APPENDIX I: CONSENT FORM

Introduction

My name is **Annety Egessa Ouma**, a student from Strathmore University undertaking a Master’s Degree In Commerce. I am conducting research that seeks to “*determine the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county, Kenya*’.”. would like to ask your permission to participate in this study. I humbly request you to provide the required information to enable me to complete my study.

Study purpose

The study aims at finding out *the effect of service design approaches on the operational performance of five-star hotels in Nairobi city county, Kenya*’. The study results will help identifying how service design approaches can be employed in enhancing the operational performance of five-star hotels.

Study procedure

Participation in this research involves answering questions that are asked in a research questionnaire related to the issue under investigation. You are required to fill in your answers in the spaces provided and return the questionnaires. You can ask for clarification of any unclear aspects related to the study at any time.

Voluntary participation

You have the right to refuse participation in this study as it is purely voluntary and therefore optional. You can also skip answering some questions and withdraw from the interview at any time without dire consequences.

Benefits and rewards

Your participation in the study will provide me with the necessary information to support decisions about how service design approaches can be used to improve the operational performance of five-star hotels. The study will not provide any monetary rewards to participants.

Confidentiality

The information you provide will be treated with the utmost confidentiality. Your identity will not be revealed and the information will only be used for the purposes of this study.

Contact information

In case of any questions regarding this study, you may contact my supervisors.

Name of Supervisor: Dr. Stella Nyongesa

Contacts: 254 727178850

Email: snyongesa@strathmore.edu

Or Strathmore University Ethics and Review Committee

Participant's statement

Information regarding my participation in this study has been made clear to me. I was given the opportunity to ask questions and my concerns were adequately addressed. Participation in this

research is purely voluntary and voluntary. I understand that the information I provide in this study will be treated as confidential. I can also decide to withdraw from the study at any time.

Sign..... Date.....

Principal Investigator’s statement

I, the undersigned, have explained to the volunteer in the language that she best understands the procedure to be followed in the study and the associated risks and benefits. Name: Annety Egessa Ouma

Contact:254 743794564

Email: anngesa_07@yahoo.com

Signature..... Date.....

APPENDIX II : RESEARCH QUESTIONNAIRE

SECTION A : GENERAL INFORMATION

Dear respondent, I am researching on “the effect of service design approaches on the operational performance of five star hotels in Nairobi city county, Kenya’. The purpose of this study is to obtain an in-depth understanding of how service design approaches affect the operational performance of five star hotels.

Please read carefully and provide appropriate answers by ticking [√] or filling in the appropriate blanks. The information obtained from this questionnaire will be treated with the utmost confidentiality.

- 1. Gender : Male Female
- 2. Age : 20-29 years 30-39 years
40-49 years 50 years and above
- 3. Highest Education level: Secondary Certificate College Certificate
University Graduate Post graduate

4. What is your current department in the hotel

5 . Which hotel do you work for.....

6. Please specify your category.

Target Group	Please Tick your Category [√]
Operations Management Staff	
Marketing Management Staff	
F&B Department Staff	

7. How long have you worked in your current position?

Less than 2 years 2-5 Years Above 5 Years

SECTION B: SERVICE DESIGN APPROACHES.

To what extent do you agree with the following statements on the effects of service design approaches on the operational performance of five-star hotels in Kenya?

Key: 5 - Strongly Agree, 4 - Agree, 3 - Neutral, 2 - Disagree, 1 - Strongly Disagree

Tangibility	1	2	3	4	5
Tangibility affects the operations performance in five-star hotels					
The more the hotel invests in its tangible services is able to achieve the desired performance					
The hotel continues to invest in tangible services					
The hotel has been successful in improving tangible services					
The hotel considers tangibility as an effective strategy in enhancing operation performance					
Responsiveness					
The hotel must improve its responsiveness in order to achieve the desired operations performance					
The more the hotel enhances its responsiveness to services is able to achieve the desired performance					
The hotel continues to invest in technology to enhance its responsive to customer needs					

The hotel has been successful in improving responsiveness to customer needs					
The hotel considers responsiveness as an effective strategy in enhancing operation performance					
Service Sequencing					
The five hotels can achieve a lot in their operations performance if they can enhance their service sequencing.					
The more the hotel enhances its service sequencing, the more it is able to achieve the desired performance					
The hotel continues to enhance its service sequencing every day in order to retain its customers					
The hotel has been successful in improving service sequencing					
The hotel considers service sequencing as an effective strategy in enhancing operation performance					
Service evidencing					
Ineffective service evidencing has been the main challenge to operations performance.					
The more the hotel enhances its service evidencing, the more it is able to achieve the desired performance					
The hotel continues to enhance its service evidencing every day in order to retain its customers					
The hotel has been successful in improving service evidencing					
The hotel considers service evidencing as an effective strategy in enhancing operation performance					

SECTION C: OPERATIONS PERFORMANCE IN THE HOTEL INDUSTRY

To what extent do you agree with the following statements on the Operations Performance in The Hotel Industry?

Key: 5 - Strongly Agree, 4 - Agree, 3 - Neutral, 2 - Disagree, 1 - Strongly Disagree.

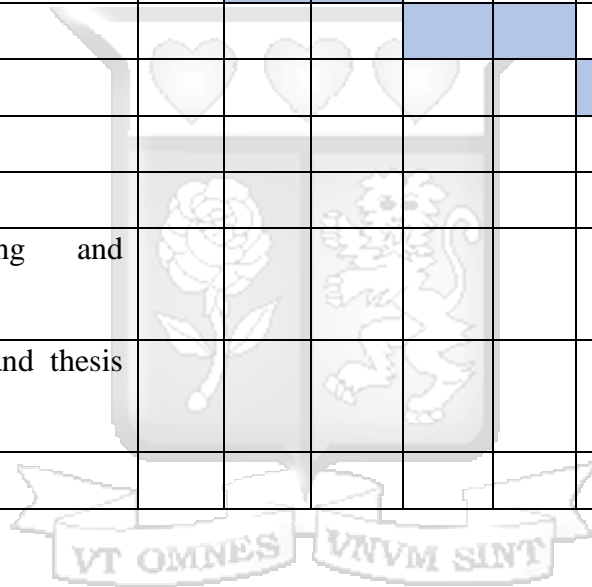
Operations Performance factors	1	2	3	4	5
The hotel has enhanced its operations through service design approaches.					
The hotel has enhanced its service deliver through service design approaches					
The hotel has improved its customer service average response time through various service design approaches					
The hotel has reduced its service waiting time through service design approaches.					

THANK YOU FOR YOUR PARTICIPATION



APPENDIX III: STUDY TIMELINE/WORK PLAN

Activity	June (2023)	July (2023)	August (2023)	August (2023)	August (2023)	August (2023)	April (2024)	April (2024)	April (2024)	April (2024)
Concept development and Approval										
Research Proposal development and approval										
Ethics Approval										
NACOSTI Approval										
Data Collection										
Data Analysis										
1 st Report Writing and presentation										
Final report writing and thesis presentation										
Publication										



APPENDIX IV: STUDY BUDGET

	Expenses	Unit	Cost per Unit in KShs	Total Cost in KShs
1	Travel	10	2,000	20,000
2	Meals	10	500	5,000
3	Research Equipment			
a	Airtime	12	500	6,000
b	Bundles/Internet	10	500	5,000
c	Printing	1	1,000	1,000
4	Research Materials			
a	Stationery(Paper Reams)	3	500	1,500
b	Note Books	3	300	900
c	Publication & Dissemination	5	1,000	5,000
5	Other Cost (Approval etc)			10,0000
	Total			107,400



APPENDIX V: ETHICAL APPROVAL



21st March 2024

Ms Ouma Annety,
annety.ouma@strathmore.edu

Dear Ms Ouma,

RE: The Effect of Service Design Approaches on Operational Performance of Five Star Hotels in Nairobi County, Kenya

This is to inform you that SU-ISERC has reviewed and approved your above SU-masters research proposal. Your application reference number is SU-ISERC2029/24. The approval period is from 21st March 2024 to 20th March 2025.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.






Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC

Ole Sangale Rd, Madaraka Estate, PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email admissions@strathmore.edu www.strathmore.edu

APPENDIX VI: NACOSTI PERMIT

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 257901	Date of Issue: 13/April/2024
RESEARCH LICENSE	
	
This is to Certify that Miss. Annety Egessa Ouma of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: The Effect OF Service Design Approaches On Operational Performance Of Five Star Hotels In Nairobi County, Kenya for the period ending : 13/April/2025.	
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